

What is Provision/ CEP?

Child Nutrition
Programs
March 2024



OKLAHOMA
Education



Types of Provision

- **Provision 1**
- **Provision 2**
- **Provision 3**
- **Community Eligibility Provision (CEP)**

Provision 2 Guidance

National School Lunch and School Breakfast Programs



USDA
Food and Nutrition Service

Community Eligibility Provision (CEP)

Planning & Implementation Guidance



USDA United States Department of Agriculture
Food and Nutrition Service
September 2016

WHAT IS PROVISION?

What is Provision?

In an effort to reduce paperwork at the local level, Congress has incorporated into Section 11(a)(1) of the National School Lunch Act four alternative provisions to the normal requirements for annual determinations of eligibility for free and reduced-price school meals and daily meal counts by type (free, reduced price and paid meals) at the point of service

Provision Requirements

- All children ***EAT*** for **FREE** but are ***claimed by FREE, (REDUCED), and PAID rates*** even in BASE years
- Direct Certification must still be pulled at least **ONE** time per year
- Verification report must be completed even in the years verification is not done at the district
- **SFA must pay difference between Federal reimbursement and the cost of providing meals at no charge with non-federal funds if the operational costs are not covered by CNP Funds**

Who could consider going on Provision?

- Sites with high Free & Reduced
- Sites with a majority of the student population on the direct certification list
- Non-pricing schools

Why do schools choose to go on Provision?

- Reduction of Paperwork
 - Applications are not sent out every year
- Reduction of cost
 - Paper
 - Labor costs – approving applications
- Allows all children to ***eat meals at no charge***

What can/cannot be done on Provision?

- Meal counts are still required to be taken at the point of service
 - *Provision 1* – meal counts must be taken by type (i.e. free, reduced, paid)
 - *Provision 2, 3, and CEP* - meal counts **do not** have to be taken by type (i.e. free, reduced, paid)
- Must keep a modified Edit Check
- It is **HIGHLY** encouraged to continue to use a computerized point of service software system

****A child cannot be required to take a tray**

TYPES OF PROVISIONS

Provision 1, 2, 3, and Community Eligibility (CEP)

How long is the Provision Cycles?

- **Provision 1**
 - 2-year period
- **Provision 2**
 - 4-year cycle with possible extensions
- **Provision 3**
 - 4-year cycle with possible extensions
- **Community Eligibility (CEP)**
 - 4-year cycle with no extension; possible 5th year grace period

Provision 1

- **Site must have at least 80 percent of enrolled children eligible for free or reduced-price meals**
- Children who qualify for free or reduced meals can be served meals at no charge for two years
- All other households must be provided a meal application
- *No School in the United States is using this option*

Provision 2

- **During the first year, known as the BASE year, there is no change in traditional procedures and administrative burden**
 - *The following 3 years no applications are taken*
- Claiming percentages are established in base year by month
- Districts can use applications and direct certification to approve students
- **Reimbursement during these years is determined by applying percentages of free, reduced, and paid**

Provision 2 Claiming Example

- If in the base year, the Month of August lunch percentages the district claims is:
 - Free is 81%, Reduced is 4%, and Paid is 15%
- Every month of August while on provision, your total meal counts will be claimed by these percentages.
 - Meal Count for August when not in base year is 1534
 - The claim will be Free (81%) = 1243, Reduced (4%) = 61, Paid (15%) = 230
- **Provision 2 is by percentages by each month claimed in the base year. Each month percentages will be different**

Provision 3

- **Year 0 is known as the BASE year. There is no change in traditional procedures and administrative burden**
 - *The following 4 years no applications are taken*
- Districts can use applications and direct certification to approve students
- **The State Agency will tell you what to claim each month**
 - Reimbursement during these years is determined by applying percentages of free, reduced, and paid

Provision 3

- Allows a school to receive a comparable level of Federal cash and commodity assistance as the school received in the last year in which free and reduced-price eligibility determinations were made
 - It is adjusted for enrollment, inflation and operating days if applicable
- For each of the 4 years, the level of Federal cash and commodity support is adjusted to reflect changes in enrollment and inflation

Community Eligibility Provision (CEP)

- ***Direct Certification*** is information that comes directly from the source such as a State Agency or Tribe
 - *Documentation cannot be provided by a parent*
- Household Applications are not allowed to be taken
- Students are claimed by FREE and PAID percentages

Community Eligibility Provision

To be eligible to participate, the site, group, or district ***Must have an identified student percentage (ISP) of at least 25% as of April 1st*** of the school year prior to implementing CEP

Rounding Rules: No Rounding

CEP: Pg. 24, 37

Community Eligibility Provision

Identified Students

- Direct Certification should be pulled on or after **April 4, 2024** (*must be done in April*)
 - Suggested to pull a couple of days after the first Monday of April in case there are any glitches when the matches are to occur
- **REMINDER:** *Students that have an exit date before April 1 on DC list* **CANNOT** count towards the number of children on the DC list for ISP

Community Eligibility Provision (cont.)

Enrolled Students

- Roster of all enrolled students in schools serving both NSLP and SBP
- Must have access to at least one meal service per day
- Enrollment in **April** (*around the same time the DC list is pulled*)
- ***Any child that has dropped before April 1 cannot be counted as an enrolled student***

Calculating Claiming Percentages on CEP

Calculating the ISP:

CEP: Pg.
25. 38

$$\frac{\text{Identified Students}}{\text{Enrolled Students}} \times 100 = \text{ISP}$$

ISP X 1.6 qualifier

• *Example:* FREE ISP 59% x 1.6 = 94.4%
PAID = 5.6%

• *The same percentage is used every month when claiming for the duration of CEP*

• *Rounding for Free & Paid is normal rounding rules and for 2 digits. Example: 94.413 = 94.41*

Calculating Claiming Percentages on CEP under 40%

Calculating the ISP:

CEP: Pg.
25, 38

$$\frac{\text{Identified Students}}{\text{Enrolled Students}} \times 100 = \text{ISP}$$

ISP X 1.6 qualifier

• *Example:* FREE ISP 39% x 1.6 = 62.4%
PAID = 37.6%

• *The same percentage is used every month when claiming for the duration of CEP*

• *Rounding for Free & Paid is normal rounding rules and for 2 digits. Example: 62.403 = 62.40*

ALLOWABLE DOCUMENTATION TO ESTABLISH BASE YEAR

Provision 2 or Provision 3

- Income Applications
- Categorical Applications
- Direct Certification list from the WAVE
 - Including Medicaid Free and Medicaid Reduced
- Direct Certification list - Tribe or DHS
 - SNAP, TANF, and/or FDPIR
- Foster child – Application or DHS
- Homeless, Migrant, Runaway list - LEA
- Head Start or Even start list

P2: Pg. 11

Community Eligibility (CEP) Direct Certification ONLY

Information cannot come from the household

- SNAP- WAVE or DHS
- **Medicaid FREE ONLY** - WAVE
- TANF – WAVE or DHS
- FDPIR – Tribal Organization
- Homeless, Migrant, or Runaway – LEA
- Foster certified by DHS
- Head Start or Even Start
- Nonapplications approved by local official

Direct Certification – Medicaid

- Direct Certification including Medicaid **FREE** pulled from the WAVE **CAN** be used for **CEP** and **Provision approval**
- Direct Certification Medicaid **Reduced** pulled from the WAVE **CANNOT** be included in the ISP for **CEP**.
- Direct Certification Medicaid **Reduced CAN** be used for **Provision 2 or 3** schools
- Other children living in the household with a Medicaid **FREE** or **Reduced** child can be directly certified as **Free** or **Reduced**

Direct Certification – Medicaid (cont)

- The WAVE is the only acceptable Medicaid information that can be obtained by the district to approve for Medicaid benefits
 - A letter or any other documentation is unallowable

Free/Reduced Applications

The district ***cannot*** send out applications when on Provision or CEP is in a nonbase year

- If applications are distributed to households, then the district must use the information to establish a new base year, or to use that data to go back to standard counting and claiming

CEP: Pg. 37 & P2: Pg. 18

WHICH PROVISION OPTION?

Deciding between Provision & CEP

Provision

- The SFA may contact the State agency for a extension of Provision after the 4 or 5-year cycle
- The State agency may approve four-year extensions if the income level of the school's population has remained stable
 - ***Continuation of original base year***
- Claiming percentages are based on applications, DC, or any other way children are approved for Free, reduced, & Paid

Deciding between Provision & CEP

Community Eligibility (CEP)

- Schools **MUST** re-establish a base year every 4 years
 - Extensions are not an option
- Claiming percentages are based on Direct Certification **ONLY**
- Site, Group, or district must be at least 25% ISP
 - It is highly recommended to be at least 50% ISP
- This may be a good alternative for schools with a high percentage of children who are directly certified

Provision 2 & 3

- There is no ***minimum requirement*** for free or reduced-price eligibles in order to participate
- Provision may be a good alternative for schools with a high percentage of children eligible for free and reduced-price applications or schools who are nonpricing

Claiming Differences

Provision 2/3

- Claiming percentages are the same as claiming on regular counting and claiming
- Percentages are based by month and established in the base year
- **Example:** District is 86% Free, 12% Reduced, and 2% Paid. This is how they are claimed

CEP

- Claiming is solely based on direct certification numbers only excluding Med-Reduced multiplied by 1.6
- **Example:** 35% of free children are on direct certification list.
 - $35 \times 1.6 = 56\%$ are claimed free and 44% are claimed at the paid rate

END OF THE CYCLE AND CHANGES

End of the Cycle

Provision

- The agency will notify you to see if you want to continue Provision
 - If **yes**, socioeconomic information will be checked to make sure the school qualifies for an extension

Community Eligibility

- The agency will notify you

CARS will show the school site(s) base year and how many years are left in the cycle

- ***Provision 2 (by site)*** – scroll down to Current Year
- ***CEP Current Year Information*** – View Details by site

No Longer Wanting to Participate in Provision/CEP?

- The State Agency needs to be aware of the change
- The district ***MUST*** start:
 - Collecting the Family-Size and Income applications
 - Eligibility determinations must be made
 - Meals must be counted and claimed by type (free, reduced, and paid) at the point of service

No Longer Wanting to Participate in Provision/CEP?

The School/District can decide to go back to standard counting and claiming procedures at any time during the school year

- The district **MUST** allow a minimum of 30 days to notify families and to get household applications

CEP: Pg. 26 & P2: Pg. 28, 42

Provision Extension Denied

A School/District may not qualify for a cycle extension *IF*:

- Significant change in the school's population such as school consolidation
 - An increase of 5% or more
- Significant changes in the socioeconomic level in the school's population
 - An increase of 5% or more

What to do if an extension is denied:

- Re-establish a *NEW* BASE year
- Go back to standard counting and claiming

CEP Population Change

Changes to student population could indicate a change in the poverty level of the households served by the school. **It may require an ISP to be recalculated *WITHIN* the 4-year cycles**

- *Example:* District-wide or group approval – school site(s) close
- No changes need to be made in mid-school year, but it would have to occur before the next school year

What to do if ISP needs to be recalculated:

- Re-establish a NEW BASE year
- Go back to standard counting and claiming

4th Year Cycle in CEP

- The ISP for the **NEW** 4-year cycle must be established using the most recent April data
- Cycle extensions using the same base year information is not allowed with Community Eligibility as it is with Provision 2 & 3
- **Grace Year** - If in the 4th year the ISP is under 25% but over 15% as of April 1, the school may continue to participate for a 5th year at the lower ISP **NOT the original (year 1) ISP**

Re-Establishing a BASE Year

ALL Provisions and CEP:

- A school or site can re-establish a new base year at any point in time during the cycle
- It can be done before the 4-year cycle has ended

CEP: Pg. 38 & P2: Pg.

ADDITIONAL INFORMATION

Base Year Records

- The district **must** maintain source documentation used to establish the base year or ISO during the entire duration of operating in CEP or Provision, and for **THREE** years **AFTER** submission of the final claim for reimbursement for the last fiscal year of the CEP or Provision period
 - Example: If the district stays on Provision 2 for 20 years, the base year records must be kept for 20 years.
- When a specialist comes to the district, they will ask to see base year documentation
- **If the documentation cannot be found, the district can no longer continue provision and MUST establish a new base year**

Point of Service

- ***The Point of Service is the point in when a child receives a reimbursable meal***
- **Point of Service IS NOT:**
 - Counting Trays
 - Using attendance records
 - Counts in the classroom

It is *HIGHLY* encouraged to continue using a computerized software POS system

Children CANNOT be forced to take a tray

CEP: Pg. 37 & P2: Pg. 19

Things to Consider

- All children eat at no charge; **however, students are still claimed by type (*Free, Reduced, or Paid OR Free & Paid*)**
- ***The local money the school or district received from Reduced and Paid children will no longer be received***
- ***The district may have to pay back***
 - The SFA must pay difference between Federal reimbursement and the cost of providing meals at no charge with non-federal funds if operational costs are not covered by CNP Funds

Things to Consider (cont.)

A school considering Provision must evaluate whether the savings in administrative costs associated with reducing application burdens and simplifying meal counting and claiming procedures under Provision ***offset the costs of providing meals to all children at no charge***

Allowable Non-Federal Funds

- Any portion of State revenue matching funds that exceeds the minimum requirements established in 7 CFR Part 210.17
- Profits from a la carte
- Cash donations
- In-kind contributions funds from outside sources, such as volunteer services

Transferring Students

Transferring within the same LEA

- If a student transfers from a Provision 2, Provision 3, and/or a CEP site to a non-Provision site within the same district, the receiving LEA must provide free meals to the transfer student for up to 30 operating days or until new eligibility is made, whichever comes first

Transferring Students (cont)

Transferring between Districts

- If a student transfers from a Provision 2, Provision 3, and/or a CEP school to a non-Provision school in a different LEA, the receiving LEA must provide free meals to the transfer student for up to 30 operating days or until new eligibility is made, whichever comes first
- **The district the student came from should provide a letter stating the child was in a Provision school**

HOW TO APPLY

How to Apply for Provision

A Provision and CEP Application must be filled out and sent to the State Agency:

- **Provision:**
 - Provision 2 & Provision 3 paper application deadline is ***August 1st***
 - Provision 2 & 3 is approved by site
- **Community Eligibility (CEP):**
 - CEP paper application deadline is **June 30th**
 - CEP is can be done by site, group, or district-wide

Contact Alicia Young at Alicia.Young@sde.ok.gov and/or your program specialist

Provision 2/3 Approval

- Your Program Specialist will come to the district and verify ***applications and direct certification*** documentation for the site(s) to be approved
- Documentation will be validated around November 15th (*after or around the verification process has been completed*)

Community Eligibility Approval

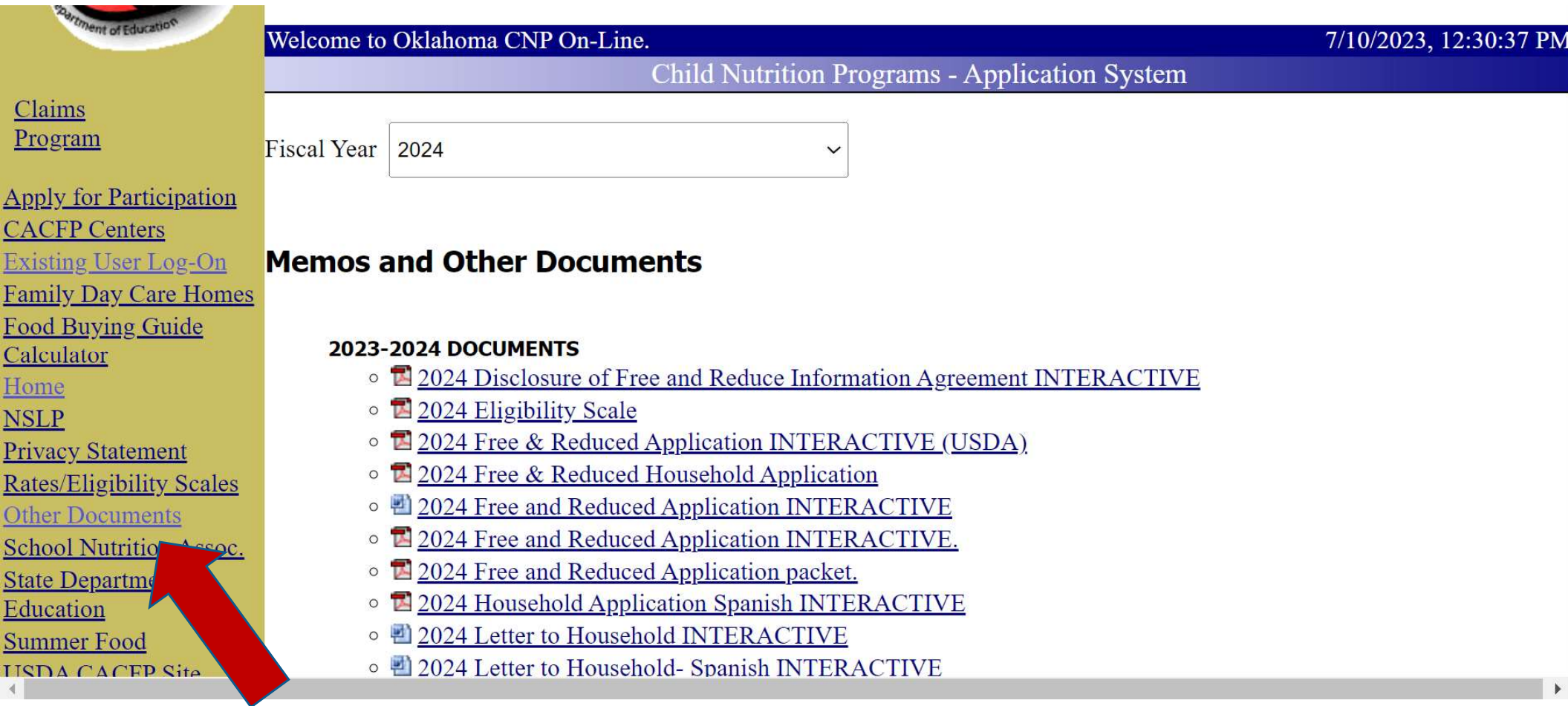
- Your Program Specialist will verify the children on the ***direct certification and the rosters*** for the site, group, or district approval
- Documentation will be validated as soon as the school as soon as the April enrollment and Direct Certification data is pulled and sent to your Specialist

Resources

- **USDA Provision 2 Guidance**
- **USDA Community Eligibility Provision (CEP) Planning & Implementation Guidance**
- **Child Nutrition Manual: Compliance Section**

Other Documents in CARS

<https://cnp.sde.ok.gov/oknslp/PrintDocuments.aspx>



Department of Education

Welcome to Oklahoma CNP On-Line. 7/10/2023, 12:30:37 PM

Child Nutrition Programs - Application System

Fiscal Year 2024

Memos and Other Documents

2023-2024 DOCUMENTS

- 2024 Disclosure of Free and Reduce Information Agreement INTERACTIVE
- 2024 Eligibility Scale
- 2024 Free & Reduced Application INTERACTIVE (USDA)
- 2024 Free & Reduced Household Application
- 2024 Free and Reduced Application INTERACTIVE
- 2024 Free and Reduced Application INTERACTIVE.
- 2024 Free and Reduced Application packet.
- 2024 Household Application Spanish INTERACTIVE
- 2024 Letter to Household INTERACTIVE
- 2024 Letter to Household- Spanish INTERACTIVE

[Claims Program](#)

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[CACFP Centers](#)

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[Other Documents](#)

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[State Department of Education](#)

[Summer Food](#)

[USDA CACFP Site](#)

**QUESTIONS
or
COMMENTS?
?????**

THANK YOU!

Child Nutrition Office number: 405-521-3327

Email Address: @sde.ok.gov

Special Provision Option: A Comparison

	CEP	Provision 1	Provision 2	Provision 3
Period of Eligibility	Up to 4 years	Up to 2 years	Up to 4 years	Up to 4 years
Eligibility Threshold	25% ISP	80% Free/Reduced	No threshold, up to District	No threshold, up to District
Program Participation	Both NSLP & SBP Mandatory	NSLP, SBP, or Both	NSLP, SBP, or Both	NSLP, SBP, or Both
Eligibility Determinations	Direct Certification only , no MEDREDUCED and no applications	Direct Certification and applications	Direct Certification and applications	Direct Certification and applications
Frequency of Application Collections	Possible Grace Year period if the LEA qualifies	Every 2 years	Every 4 years, at most	Every 4 years, at most
Frequency of Direct Certification	Once a year (at a minimum)	Once a year (at a minimum)	Once a year (at a minimum)	Once a year (at a minimum)
Cycle Extensions	Grace Year (5th year) if ISP in 4th year is between 15-25%	Unlimited, if remains at least 80% Free/Reduced	Unlimited, if only a minimal change in socioeconomic data	Unlimited, if only a minimal change in socioeconomic data
Claiming Percentages	ISP x 1.6	Based on actual claiming percentages in year 1 (base year)	Based on actual claiming percentages in year 1 (base year)	Based on level of Federal reimbursed from the last year in which eligibility was made
Non-Federal Funds	Required when Federal assistance does not match or exceed costs	Required when Federal assistance does not match or exceed costs	Required when Federal assistance does not match or exceed costs	Required when Federal assistance does not match or exceed costs
By Site, Grouping, District-wide	Yes to all: By Site, Groupings, or District-wide	By Site	By Site	By Site
Ideal When...	Many Students are directly certified without applications	Over 80% Free/Reduced	High Free/Reduced percentage based on applications and DC	High Free/Reduced percentage based on applications and DC
Provision Regulations	245.9(f) & 7 CFR 245.9(f)(4)(ix)	245.9(a)	245.9(b-c)	245.9(d-e)

Base Year Records to be Retained

Community Eligibility Provision (CEP)

- Direct Certification Data for April (*NOT including DC- MedReduced*)
- Total enrollment Data for April for each site, group, or district (ISP documentation)
- Edit check and on-site review documentation
- Daily meal counts, by type
- Edit check and on-site review documentation
- Claims for reimbursement

Provision 1

- All approved Free and Reduced-priced applications
- Direct Certification Data
- Verification Data including changes in eligibility status
- Daily meal counts, by type
- Edit check and on-site review documentation
- Claims for reimbursement

Provision 2

- All approved Free and Reduced-priced applications
- Direct Certification Data
- Verification Data including changes in eligibility status
- Daily meal counts, by type
- Edit check and on-site review documentation
- Claims for reimbursement
- Any socioeconomic data that will be used as the base year data if an extension is granted

Provision 3

- All approved Free and Reduced-priced applications
- Direct Certification Data
- Verification Data including changes in eligibility status
- Daily meal counts, by type
- Edit check and on-site review documentation
- Claims for reimbursement
- Any socioeconomic data that will be used as the base year data if an extension is granted

Schools must maintain base year records used to develop the base year or ISP for the entire period you are operating under Provision or CEP, and for 3 years AFTER submission of the final claim of reimbursement for the last fiscal year of the Provision or CEP period.