

Draft Community Eligibility Provision (CEP) Calculation of National School Lunch (NSL) State Categorical Funding for Schools, School Districts and Open-Enrollment Public Charter Schools Participating in CEP

SCHOOLS, SCHOOL DISTRICTS, OPEN-ENROLLMENT PUBLIC CHARTER SCHOOLS:

- Must have an Identified Student Percentage (ISP) of at least 40% for the year prior to implementing CEP;
- Agree to serve breakfast and lunch to all students at no cost to the student;
- Cannot collect free and reduced-price meal applications from families in participating schools;
- Must supplement the nonprofit food service account with non-federal funds to ensure the nonprofit food service account is fiscally solvent;
- CEP is a four-year fiscal cycle.

SCHOOLS, SCHOOL DISTRICTS, OPEN-ENROLLMENT PUBLIC CHARTER SCHOOLS IMPLEMENTING CEP AND NOT CURRENTLY PARTICIPATING IN PROVISION 2

The NSL state categorical funding percentage is based on October 1 enrollment and free and reduced-price meal data from the year prior to implementing CEP. The NSL state categorical funding percentage calculated using data from the year prior to implementing CEP will be called “the CEP base year percentage” for NSL state categorical funding purposes. For each year of the four-year CEP cycle and the year following the four-year CEP cycle, the CEP base year percentage is multiplied by the total October 1 enrollment of the prior year to determine the eligible count for NSL state categorical funding.

Example: School District A implements CEP in FY16. The October 1, 2014, enrollment is 2,000 and the free and reduced-price meal count is 1,000. The free and reduced-price meal percentage is 50%, and thus the CEP base year percentage is 50%. For FY17 NSL state categorical funding, the October 1, 2015, enrollment of 2,100 is multiplied by the CEP base year percentage of 50% to arrive at the eligible count of 1,050.

SCHOOLS, SCHOOL DISTRICTS, OPEN-ENROLLMENT PUBLIC CHARTER SCHOOLS CURRENTLY PARTICIPATING IN PROVISION 2 AND CHANGING TO CEP

If a district, open-enrollment public charter school, or school within a district or charter is changing from Provision 2 to CEP, the NSL state categorical funding percentage used during the final year of Provision 2 will be the NSL state categorical funding percentage for the four-year CEP cycle and the year following the four-year CEP cycle.

Example: If in FY16 School District B, would have been in its second year of Provision 2 status, but instead implements CEP, its Provision 2 base year free and reduced-price meal percentages at the school level (assuming 85% for the elementary school and 75% for the high school) will become the school-level CEP base year percentages. To calculate the district-level CEP base-year percentage to use for FY16 NSL state categorical funding, multiply elementary school October 1, 2014, enrollment of 600 by the elementary school CEP base year percentage of 85% to arrive at an elementary school eligible count of 510. Multiply high school October 1, 2014, enrollment of 700 by the high school CEP base year percentage of 75% to arrive at the high school eligible count of 525. Add the eligible count of both schools together to arrive at the school district eligible count of 1,035 and divide by the total

school district enrollment of 1,300 to arrive at the school district CEP base year percentage of 80% (rounded). This will be used as the rounded NSL state categorical funding percentage.

OPEN-ENROLLMENT PUBLIC CHARTER SCHOOL IN FIRST YEAR OF OPERATION OR FOR THE FIRST YEAR AN OPEN-ENROLLMENT PUBLIC CHARTER SCHOOL ADDS A NEW GRADE IF PARTICIPATING IN CEP

For an open-enrollment public charter school in its initial year of operation or any year in which an open-enrollment public charter school adds a new grade level, NSL state categorical funding is calculated using current school year enrollment as of October 1 (This does not apply to open-enrollment public charter schools opening another location under the initial charter or adding another grade to one location under the existing charter if that grade is already represented at another location. These charters are funded based on prior year data). If implementing CEP in a year that NSL funding is based on current year October 1 data, open-enrollment public charter schools will be required to accept and report Alternative Income Forms by October 1 from all students in the school to enable calculation of NSL state categorical funding. The number of students eligible for NSL state categorical funding as determined by the Alternative Income Forms is used to determine the CEP base year percentage. This percentage is used every year of the four-year CEP cycle and the year immediately following the four-year CEP cycle.

SCHOOL DISTRICTS ADDING A NEW SCHOOL IF NEW SCHOOL PARTICIPATING IN CEP

For a school district that opens a new school that participates in CEP in its first year of operation, district NSL state categorical funding is calculated using previous year data. For the second year in operation the school would need to collect Alternative Income Forms and report by October 1. This would establish the CEP base year percentage that would be in effect for the remainder of the four-year CEP cycle and the year immediately following the four-year CEP cycle.

SCHOOL DISTRICTS OR OPEN-ENROLLMENT PUBLIC CHARTER SCHOOLS THAT ARE NOT DISTRICT OR CHARTER-WIDE CEP BUT HAVE SCHOOLS PARTICIPATING IN CEP AND/OR PROVISION 2

The eligible count used for NSL state categorical funding at each school participating in CEP or Provision 2 is calculated by multiplying each school's prior year October 1 enrollment by the CEP or Provision 2 base year percentage. These amounts are added to the free and reduced-price meal counts for any remaining schools not participating in either program to arrive at the total district eligible count. The total district or charter-wide percentage is then calculated by adding all NSL state categorical funding eligibility counts within the district or charter and dividing by the district's or charter's total enrollment on October 1. These percentages are calculated using prior year October 1 data.

Example: School District B implements CEP in FY16 for the elementary school but not for the high school. To calculate the district-level FY16 NSL state categorical funding percentage, multiply the elementary school October 1, 2014, enrollment of 600 by the CEP base year percentage of 85% to arrive at a student eligibility count of 510. Add 510 to the high school free and reduced-price meal count of 400 and then divide by the October 1, 2014, total district enrollment of 1,300 to arrive at the NSL state categorical funding percentage of 70%.

NSL STATE CATEGORICAL FUNDING CALCULATION FOR SCHOOL DISTRICTS, OPEN-ENROLLMENT PUBLIC CHARTER SCHOOLS, OR SCHOOL(S) RENEWING CEP

For schools and districts wishing to renew the CEP cycle, during the fourth year of the four-year CEP cycle, if there is a difference of five percentage points or greater from the percentage of identified students during

the April calculations of identified students multiplied by the CEP multiplier when compared to as reported by the ISP report enrollment and the current state NSL state categorical funding percentage multiplied by the three quarter ADM, then a new NSL state categorical funding percentage would need to be established. The new percentage would be established in the following year (year 5) by accepting Alternative Income Forms by October 1. The number of eligible students is divided by the October 1 enrollment. This new percentage would be applicable during year 6 and the duration of the four-year CEP cycle (years 6, 7, 8 and, if renewed, year 9).

If there is a difference of less than five percentage points from the percentage of identified students during the April calculations of identified students multiplied by the CEP multiplier when compared to the enrollment as reported by the ISP report and the current state NSL funding percentage, then the NSL state categorical funding percentage used during the fourth year of the CEP cycle would be used for the following four-year CEP cycle and the year immediately following that cycle.

SCHOOLS, SCHOOL DISTRICTS, OPEN-ENROLLMENT PUBLIC CHARTER SCHOOLS TRANSITIONING FROM CEP

If a school district, open-enrollment public charter school, or school(s) transitions from CEP, the NSL state categorical funding percentage used during the last full year the school district, open-enrollment public charter school, or school(s) participated in CEP will be used for the year following the year of discontinuance of CEP.

ALTERNATIVE INCOME FORMS VERIFICATION PROCEDURES

Alternative Income Forms used for NSL state categorical funding must be verified as follows:

- The minimum standard sample size of three percent (3%) for all Alternative Income Forms approved by the open-enrollment public charter school or school district for the school year, as of October 1 of the school year.
- Aside from the sample size, income verification procedures must be consistent with federal law and procedures concerning income verification used for free and reduced-price meal applications.
- All privacy/security procedures and laws concerning free and reduced-price meals must be followed regarding Alternate Income Forms.

ACCOUNTABILITY

All students of schools, school districts, or open-enrollment public charter schools that participate in CEP will be considered Economically Disadvantaged for ESEA calculations. Therefore, all students will be members of the Targeted Achievement Gap Group (TAGG). The TAGG will be compared with the state median non-TAGG to calculate achievement gaps.

E-RATE

As stated by the Federal Communications Commission:

“Consistent with our goal of making the E-rate application process and other E-rate processes fast, simple and efficient, beginning with funding year 2015, we will allow schools and school districts that are participating in the NSLP CEP to use the same approach for determining their E-rate discount rate as they use for determining their NSLP reimbursement rate. Specifically, schools utilizing the CEP shall calculate their student eligibility for free or reduced priced lunches by multiplying the percentage of directly certified students by the CEP national multiplier. This number shall then be applied to the discount matrix to determine a school district’s discount for eligible E-rate services.”