

Proposed Rule:
Child Nutrition Programs:
Community Eligibility Provision –
Increasing Options for Schools

USDA Food and Nutrition Service
Child Nutrition Programs
March 2023

USDA is an equal opportunity provider, employer, and lender.



U.S. DEPARTMENT OF AGRICULTURE



Agenda

- Background
- Proposed Rule Provisions
- Other CEP Updates

Background



CEP Eligibility

- School Districts, Groups of schools, or individual schools may participate
- Eligibility is based on the percentage of identified students enrolled
 - Children who participate in SNAP, TANF, FDPIR and Medicaid in demo States
 - Homeless, runaway, migrant, and foster children
- The identified student percentage (ISP) must be at least 40% for the entity to participate
 - To determine the ISP take the number of identified students divided by number of enrolled students multiplied by 100

How Are Meals Claimed?

- ISP is multiplied by 1.6 to determine the percent of served meals reimbursed at the Federal FREE rate
- The remaining percent of total meals is reimbursed at the Federal PAID rate
- If ISP is equal to or greater than 62.5, all meals reimbursed at FREE rate ($62.5 \times 1.6 = 100$)

CEP Benefits

- Students experience the following benefits
 - Decreased hunger
 - Reduced social stigma
 - Positive impacts on students diet' quality & academic performance
- Parents experience the following benefits
 - No application
 - No meal charges
 - Stretches family food budgets
 - Improves household food security
- Parents experience the following benefits
 - Decreased admin burden
 - Improved finances for school meal programs
 - Streamlined meal service
 - No school meal debt

Proposed Rule:
Community Eligibility Provision –
Increasing Options for Schools



Proposed Rule Provisions

| Provision | Current ISP Range | Proposed ISP Range |
|--|---|---|
| CEP Eligibility Threshold | 40 percent or higher to elect CEP | 25 percent or higher to elect CEP |
| Grace Year Eligibility | Less than 40 percent but equal to or greater than 30 percent ($30 \leq \text{ISP} < 40$) | Less than 25 percent but equal to or greater than 15 percent ($15 \leq \text{ISP} < 25$) |
| <u>Eligible LEAs & Schools: Identification, Notification and Publishing Lists</u> | 40 percent or higher | 25 percent or higher |
| <u>Nearly Eligible LEAs & Schools: Identification, Notification and Publishing Lists</u> | Less than 40 percent but equal to or greater than 30 percent ($30 \leq \text{ISP} < 40$) | Less than 25 percent but equal to or greater than 15 percent ($15 \leq \text{ISP} < 25$) |

Why is FNS Proposing to Lower The Threshold?

- Expands CEP's benefits to more schools
- Renewed interest since offering free meals during the pandemic
- Supports States that are providing free meals for all students
- Supports the Administration's commitment to expand access to healthy, free school meals for 9 million more children

What the Proposed Rule Does Not Include

- Does not increase the CEP multiplier.
- Does not allow for group eligibility beyond the LEA level.
- Does not change any election and notification deadlines.

Public Comment: Proposed Change to Lower the CEP Threshold to 25 Percent

- To what extent are LEAs that would be newly eligible under this proposed rule expected to elect CEP?
- What sources of non-Federal funds are available to support LEAs electing CEP at lower ISPs?
- In a typical year, how much time do LEAs spend on administrative duties that may be eliminated by electing CEP (e.g., processing applications, unpaid meal charges, verification)? What types of activities are included in that estimate?
- To what extent are administrative cost savings a factor in determining whether to elect CEP?
- How do State policies related to offering universal school meals influence possible CEP election among newly eligible LEAs?

Invitation to Submit Public Comments

- Comment period is 45 days from publication
- Comments are due by May 8, 2023
- Comments can be submitted at <http://www.regulations.gov>

Two Open Comment Periods

- Proposed Rule – CEP
 - **Comment Period closes May 8, 2023**

- Proposed Rule - Revisions to Meal Patterns Consistent with 2020 Dietary Guidelines for Americans
 - **Comment period recently extended until May 10, 2023**
 - **Proposes changes to begin in SY 2025-2026**



Must submit comments for each rule separately

Next Steps in the Rulemaking Process

1. Proposed Rule Published (March 23, 2023)
2. 45-Day Public Comment Period (May 8, 2023)
3. USDA Analyzes Public Comments
4. Final Rule Published

Submit comments via
<https://www.regulations.gov>

Other CEP Updates

President's FY24 Budget Proposal

- CEP proposed rule aligns with the budget proposal by expanding access to CEP through a lowered eligibility threshold of 25%.
- If passed by Congress, the budget proposal would:
 - Lower CEP eligibility ISP threshold to “25 percent or lower”
 - Increase the multiplier from 1.6 to 2.5
 - Allow a statewide CEP option (using a statewide ISP), with an eligibility threshold of zero percent and a multiplier of 2.5

Adopt CEP for SY 2023-2024

| Requirement | Annual Deadline |
|----------------------------|-----------------|
| Data Used to Calculate ISP | April 1 |
| LEA Notification | April 15 |
| State Agency Notification | April 15 |
| State Agency Publication | May 1 |
| Elect CEP for SY 2023-2024 | June 30 |

USDA Resources



- **CEP Website:**

<https://www.fns.usda.gov/cn/community-eligibility-provision>



- **School Programs Policy:**

<http://www.fns.usda.gov/nsip/policy/all>

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