

Welcome!

We'll get started soon. While we wait for other attendees to join, please answer this question in the chat box:

What are you looking forward to doing this fall/winter?



Understanding the Implications of the CEP Final Rule

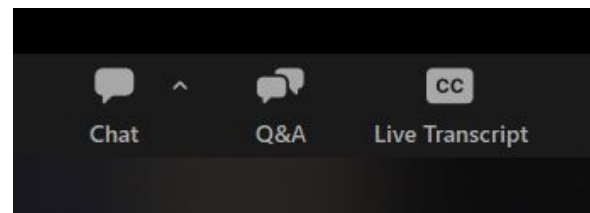
October 19, 2023





Things to Know as We Begin

- The slide deck will be shared via email after the webinar along with the recording.
- To engage with other attendees, please use the [chat box](#).
- If you have questions for the speakers, please enter those into the [Q&A box](#).
- Closed captioning is available.





Agenda

- Speaker Introductions
- CEP 101
- CEP History
- Contents of the Final Rule
- Implications
- Implementation in New York State
- Q&A

Speaker Introductions

Speaker Introductions



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CEP 101

What Is CEP?

The Community Eligibility Provision (CEP)
streamlines school meal operations by allowing schools/districts with
a minimum percentage of **identified students**
to provide **no-cost meals to all students**
as well as **forgo the collection of free and reduced-price applications.**

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direct certification
(SNAP, TANF,
FDPIR, Medicaid)

categorical eligibility
(homeless, runaway,
migrant, foster,
Head Start)

cannot collect paid
and reduced-price
meal co-pays

cannot collect
free/reduced-price
school meal
applications

How Does CEP Work?

$$\frac{\text{direct certification enrollment} + \text{categorical eligibility enrollment}}{\text{total enrollment}} \times \text{multiplier} = \% \text{ meals reimbursed at federal free rate}$$

(remainder reimbursed at federal paid rate)

identified student percentage (ISP)

1.6

% for other child nutrition programs and school funding

If your ISP is...	...then your percentage of meals reimbursed at the free rate is...	...and your percentage of meals reimbursed at the paid rate is...
25%	40%	60%
40%	64%	36%
≥ 62.5%	100%	0%

The History of CEP Policy

Legislative History

- Authorized December 2010 by the Healthy, Hunger-Free Kids Act
- Phased roll-out / pilot in 10 states + DC
- Available nationwide starting in SY 2014-2015



What Does the Law Say?

- CEP adoption is the decision of the LEA
- No minimum ISP threshold after SY12-13
 - Set at 40% through SY12-13
- USDA can set ISP multiplier between 1.3-1.6
 - Required to be 1.6 through SY13-14
 - Allowed to vary multiplier for different schools or LEAs
- Notification required
- Grace year option available



What Can (or Can't) USDA Do?

Can

- ? Lower or eliminate ISP threshold
- ? Adjust ISP multiplier between 1.3-1.6

Cannot

- ☒ Raise multiplier beyond 1.6
- ☒ Allow statewide CEP
- ☒ Implement Healthy School Meals for All

Timeline of Rulemaking on ISP Threshold

- **March 23:** USDA FNS issued a proposed rule to lower the ISP threshold required for CEP eligibility from 40% to 25%.
- **May 8:** Public comment period closed with over 10,000 comments.
- **September 26:** USDA FNS published the final rule.
- **October 26:** The final rule goes into effect.

Contents of the Final Rule

What Does the Final Rule Say?

Provision (current citation)	Previous Minimum ISP	New Minimum ISP (effective 10/26/2023)
Minimum ISP for Eligibility (7 CFR 245.9(f)(3)(i))	LEAs, schools, and groups of schools must have ISPs 40% or higher	LEAs, schools, and groups of schools must have ISPs 25% or higher
Grace Year Eligibility (7 CFR 245.9(f)(4)(ix))	LEAs, schools, and groups of schools participating in CEP must have ISPs 30-40% in year 4 of the CEP cycle to elect CEP for a fifth year ($30\% \leq \text{ISP} < 40\%$)	LEAs, schools, and groups of schools participating in CEP must have ISPs 15-25% in year 4 of the CEP cycle to elect CEP for a fifth year ($15\% \leq \text{ISP} < 25\%$)
Identification, Notification, and Publication of <u>Eligible</u> LEAs and Schools (7 CFR 245.9(f)(5), (6), (7))	LEAs or schools with ISPs 40% or higher.	LEAs or schools with ISPs 25% or higher.
Identification, Notification and Publication of <u>Nearly Eligible</u> LEAs and Schools (7 CFR 245.9(f)(5), (6), (7))	LEAs and schools with ISPs 30-40% ($30\% \leq \text{ISP} < 40\%$)	LEAs and schools with ISPs 15-25% ($15\% \leq \text{ISP} < 25\%$)

What Is Not in the Final Rule?

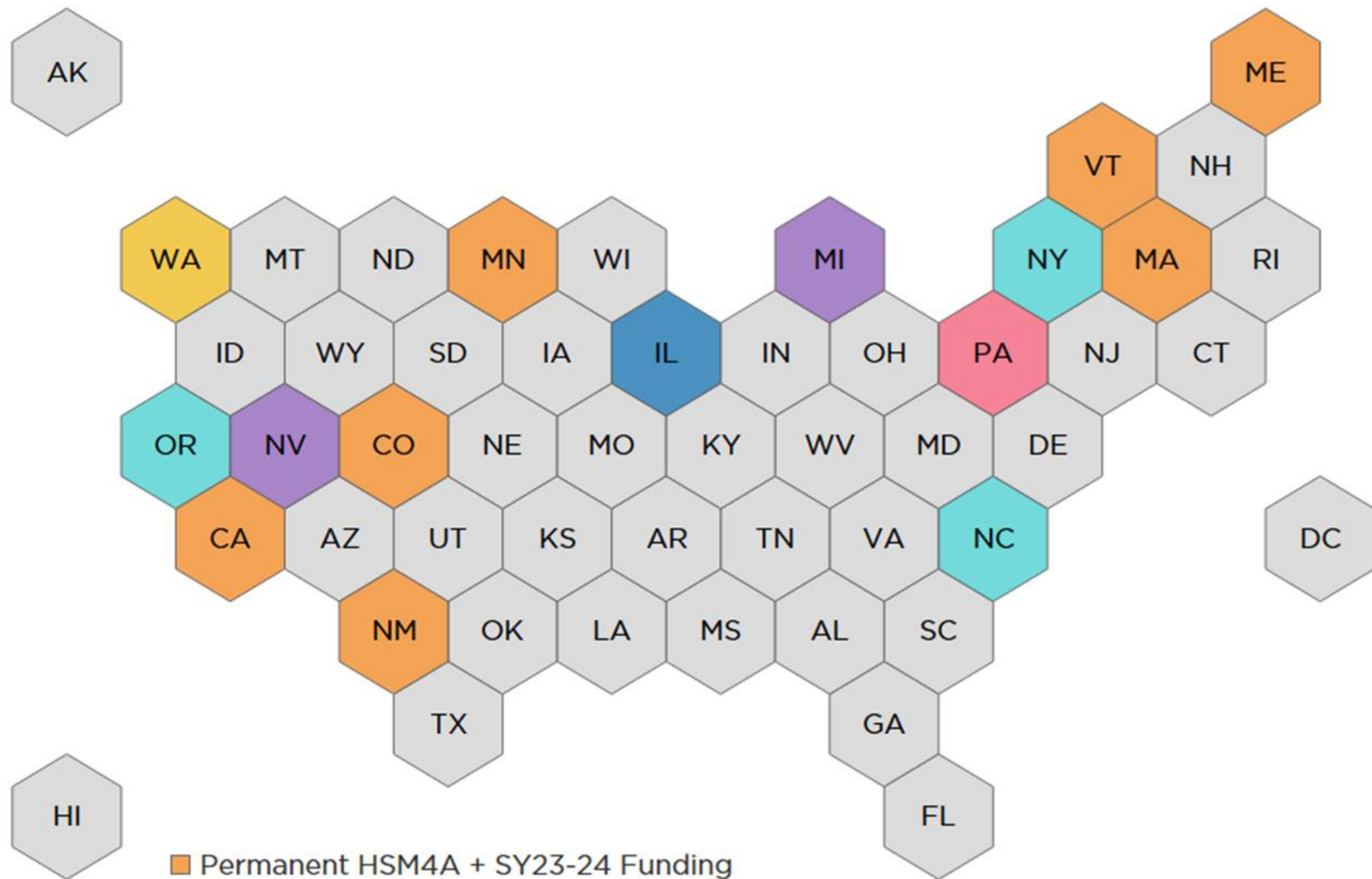
- ☒ Change in the multiplier
 - Multiplier remains 1.6 for all LEAs, school, and groupings
- ☒ Change in the CEP election deadline
 - Deadline remains June 1st
 - States are encouraged but not required to submit a waiver request for mid-year CEP election

Implications: What Should I Do Next?



Variable Impact

- Greater benefit in states with
 - Healthy School Meals for All
 - CEP incentive legislation
- Greater benefit for LEAs with
 - New ability to do CEP district-wide
 - New ability to implement across a feeder pattern



- Permanent HSM4A + SY23-24 Funding
- Permanent, Limited HSM4A + SY23-24 Funding
- Permanent HSM4A + No Funding
- SY23-24 Funding
- SY23-24 Funding (Breakfast Only)
- CEP Incentive
- No Policy

Next Steps

- Ask if your state agency has been approved to waive the CEP election deadline
- Run the numbers!
- Consider approvals necessary to opt in or expand this school year or next
- Look into maximizing participation to draw in revenue

Consideration: Implications for Higher Rates

- Two-cent differential lunch payment

Extra 2¢ **per lunch** for **school food authorities (SFAs)** in which **≥60%** of **lunches** served in the 2nd preceding year were free/reduced-price

- If SFA adopts CEP district-wide as single group: need ISP $\geq 37.5\%$
- If partial CEP adoption or multiple groups: calculate as usual

- Severe need breakfast reimbursement rate

Higher rate **per breakfast** for schools in which **≥40%** of **lunches** served in the 2nd preceding year were free/reduced-price

- CEP schools with **individual** ISPs $\geq 25\%$ are eligible

Implementation in New York State

New York at a Glance

Statewide Statistics:

- 731 school districts
- 4,412 public schools and 355 charter schools

New York City Department of Education:

- Largest school district in the nation
- more than 1,867 schools including 275 charter schools

Community Eligibility Provision:

- Historic participation
 - Relatively strong participation in CEP
 - Approximately 3,000 schools approved for CEP, including all NYC public schools
 - Yet significant number of schools ineligible for CEP or unable to make it work financially

New York: Spring 2023

State Expansion of CEP

Enacted NYS FY24 Budget:

- Added \$134.6M to create the *Community Eligibility Provision (CEP) State Subsidy*
- Historic win

CEP State Subsidy:

- Starts in SY 2023-2024
- Ensures all CEP meals are reimbursed at the free rate
- Must be approved to participate in CEP in SY 2023-2024

NYSED Resources:

- [*NYSED Guidance: CEP State Subsidy*](#)
- [*NYSED CEP and State Subsidy Webinar Recording*](#)

New York: Summer 2023

CEP Application Period Extended to 8/31/23

Waiver to extend deadline to elect CEP:

- Approved by USDA to accept applications until 8/31/23.

Partnerships to Maximize Outreach and Election of CEP:

- Joined forces with Hunger Solutions New York to amplify NYSED's message and provide 1:1 outreach and technical assistance to schools potentially eligible for CEP through:
 - Customized emails to targeted schools
 - Targeted CEP E-news series/e-newsletter
 - Mini-webinar series (5 webinars)
- **Results**
 - More than 550 new schools elected and approved CEP for SY 23-24.

New York: Fall 2023

CEP Final Rule and Mid-Year Implementation

Waiver to permit mid-year implementation:

- Approved by USDA to open application window and accept applications until December 15, 2023.

Potential Impact:

- An additional **700** schools are potentially eligible for CEP under the final rule change

What does this mean?

- Expansion of no-cost school breakfast and school lunch in NY
- 84% of New York students enrolled in a National School Lunch and School Breakfast school could have access to no-cost school meals.

NYSED Resources:

[CEP Expansion Fact Sheet](#)



Q&A





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Subscribe to our newsletter:

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Visit our website:

www.bestpractices.nokidhungry.org





Resources

USDA

- [CEP Final Rule Summary](#)
- [CEP Resource Center](#)

No Kid Hungry Center for Best Practices

- [CEP Final Rule One-Pager](#)
- [CEP hub](#) | [CEP Calculator](#)
- [State Legislation Dashboard](#)

FRAC

- [CEP Toolkit](#)





Your Feedback is Appreciated!

At the conclusion of this webinar, a 5-question survey will open in your browser window.

Please take a moment to complete it.





Thank You for Attending!

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