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Texas Schools, Raise Your Hands for a Better Way to Feed Students

Community Eligibility allows more children to eat and increases revenue for schools

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Texas school nutrition programs now have until **August 31, 2014**, to take advantage of the new Community Eligibility Provision (CEP). Beginning in the 2014-2015 school year, CEP is a federal option that allows high poverty schools to provide **free meals—both breakfast and lunch—to all students** without having to collect school meal applications. Instead schools are reimbursed through a formula based on the number of “identified students”—those certified without application for free school meals due to their enrollment in other programs for low-income students.

Does Your School Qualify?

Any public, private, or charter school that offers the National School Lunch and School Breakfast Program where at least **40 percent** of students are identified can use CEP.

Identified students are those eligible for free meals through direct certification because they:

- Live in households receiving Supplemental Nutrition Assistance Program (SNAP) benefits
- Live in households receiving Temporary Assistance for Needy Families cash assistance (TANF)
- Live in households receiving Food Distribution Program on Indian Reservations (FDPIR) benefits
- Are enrolled in Foster Care, Head Start, migrant or homeless education services

[A complete list of eligible schools can be found on the Texas Department of Agriculture's website.](#)

How Community Eligibility Works

Federal reimbursements for both lunch and breakfast are determined by multiplying the percent of identified students by 1.6. The resulting number is the percentage of meals reimbursed at the “free” reimbursement rate, with the rest being reimbursed at the “paid” rate (see example below). Schools with a rate of at least 62.5 percent identified students will be reimbursed at the free rate for all students ($62.5\% \times 1.6 = 100\%$) using CEP. CEP can be implemented for a single school, a group of schools, or districtwide as long as the total identified student rate for the group is 40 percent or higher.

CEP Meal Reimbursement Example

Identified Student Rate = 60%
Multiplied by factor of 1.6 = $60\% \times 1.6 = 96\%$
Free claiming percentage = **96%**
Paid claiming percentage = $100\% - 96\% = 4\%$

Reimbursement Calculation
Total daily meals served: 600
Meals reimbursed at free rate: $600 \times 96\% = 576$
Meals reimbursed at paid rate: $600 \times 4\% = 24$

Why Community Eligibility is Great for Texas Schools

- More children get to eat – both free school lunches and breakfasts are served to all students. Students that have access to better nutrition tend to perform better academically.
- Less paperwork – schools no longer have to spend time chasing school meal applications, handling meal payments accounts or tracking whether each meal served was paid, reduced-price, or free.
- Claiming rates can only improve – a school's initial claiming percentage is locked in for four years, but if a school's identified student rate increases it can improve its claiming percentage.
- Increased revenue – more children eating means economies of scale and more revenue which can be used to pay staff, buy equipment, or improve the quality of the food served.
- Alignment with Texas's new breakfast law - schools where at least 80 percent of students qualify for free or reduced-price meals are now required to offer free breakfast to all students. The majority of schools subject to the law will be eligible for CEP.

How Community Eligibility Compares to Provision 2

Provision 2 is similar in that it allows schools to serve no cost meals to all students. However, schools using Provision 2 must still collect household applications to determine free, reduced-price, and paid percentages every four years with a school's reimbursement rate based on its base year. Using CEP, schools do not collect applications and only count total meals served for reimbursement. The reimbursement rate is guaranteed for four years, but can increase if the direct certification rate increases.

Community Eligibility and Federal Title I Funding

Using CEP will not affect the total amount of Title 1 funds a district receives, but it may affect how funds are allocated to each school building. When making within-district allocations, a district may choose to use the rate of identified students, alone or multiplied by 1.6, Census data, Medicaid data, TANF data, income data collected outside the school nutrition program, or a combination to rank schools as long as they use a common metric for all of their schools whether or not they are CEP schools.

If a district chooses to group schools in order to qualify for CEP, they must use each individual school's identified student rate (alone or multiplied by 1.6) for ranking and allocation. If a district has more than one CEP school at 100 percent after applying the 1.6 multiplier, the school with the highest identified student rate could receive a higher per-pupil allocation. The [United States Department of Education guidance](#) on CEP and Title I funding eligibility, allocation, and reporting includes detailed examples.

E-Rate Funding

Schools adopting Community Eligibility for 2014-2015 will use their free and reduced-price percentage collected in 2013-2014 to determine their level of poverty when calculating

discounts on services received under the E-rate program. Beginning in 2015-2016, just released [Federal Communications Commission guidance](#) specifies that CEP schools will switch to using their Free Claiming Percentage (Identified student rate*1.6) to determine their discount for E-rate services.

Effect on State Compensatory Education Funding

In Texas, State Compensatory Education (SCE) funding is calculated based on the number of students determined to be educationally disadvantaged and therefore eligible for the basic allotment multiplied by 0.2. [Texas Education Agency guidance](#) states that for schools using CEP, SCE funding will be determined by the school's Free Claiming Percentage (Identified student rate*1.6) multiplied by the number of students.

SCE funding is based on a school's meal eligibility data from the previous school year, so districts choosing CEP for the 2014-2015 school year will not see a change until the 2015-2016 school year.

State Compensatory Education Funding Example

Identified Student Rate = 60%
Multiplied by factor of 1.6 = $60\% \times 1.6 = 96\%$
Free claiming percentage = **96%**

SCE Funding Calculation
Student Enrollment: 800
Students Eligible for SCE funding: $800 \times 96\% = 768$

Effect on pre-K funding

Children are considered eligible for free pre-kindergarten for a range of reasons, including being educationally disadvantaged. If a CEP school stops collecting free and reduced price meal applications, they must use an alternative form, like the one noted below, for collecting household income data for their prekindergarten students.

Can my school still collect income data from our students?

Schools can continue to collect income data from families as long as it is done outside of the nutrition department. The Texas Education Agency has a [Compensatory Education Allotment Alternative form](#) that can be used.

For more information or to request an interview, please contact Oliver Bernstein at bernstein@cphp.org or 512.823.2875.

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