



GUIDE:

TRANSITIONING TO NO-COST MEAL PROGRAMS

KNOWING THE 'WHEN' AND 'HOW' TO SUCCEED

Beginning in the 2014-2015 school year, high-poverty schools and school districts became eligible to participate in the Community Eligibility Provision (CEP). CEP allows these schools and districts to serve breakfast and lunch at no cost to all enrolled students without collecting household applications. Since CEP's introduction, thousands of school districts across the U.S. have transitioned some or all of their schools to the program, helping reduce student food insecurity.

Still other schools and districts that do not qualify for CEP or those where the program is not a best fit can leverage other federal reimbursement programs, including Provision 2 and the At-Risk Afterschool Meals component of the Child and Adult Care Food Program (CACFP) to achieve similar results.

Learn more about how districts can select the program that makes the most sense for their student population and achieve success with the CEP program and other reimbursement programs.



HOW DOES THE **COMMUNITY ELIGIBILITY PROVISION** WORK?

When schools or districts transition to CEP, rather than collecting household applications for free and reduced-price meals, a percentage of their meals are automatically reimbursed at the federal free rate, and a percentage are reimbursed at the federal paid rate. This ratio is based on the percentage of “identified students,” who are categorically eligible for free meals through specific means-tested programs.

Key Facts About CEP:

- Schools can participate in CEP if at least 40% of students enrolled are identified students.
- At 62.5% identified students, 100% of meals served are reimbursed at the free meal rate.
- Below 62.5% identified students, meals are reimbursed at a combination of the free (\$3.48-\$3.50 for lunch and \$1.84-\$2.20 for breakfast) and paid (\$0.39-\$0.41 for lunch and \$0.31 for breakfast) rates.[†]
- CEP certification lasts for up to four years. Districts run their reporting for identified students monthly and may recertify for another four years before the end of the current certification if their identified students percentage increases.
- Schools may participate in a single building, a group of buildings, or across the entire district. This allows schools to make the best financial decision possible, while feeding more students.

Who Are Identified Students?

“Identified students” refers to students certified for free school meals without the use of a household application, such as through SNAP, TANF, FDIPIR, or based on status as migrant youth, homeless, foster child or Head Start.

CEP Benefits:

Because CEP allows all students to receive breakfast and lunch at no cost, there are several potential benefits:

- Reduced food insecurity
- Improved child nutrition, attendance and test scores
- Increased participation rates and reimbursements
- Elimination of overt identification issues for students, including stigma
- Reduced administrative burdens of school meal applications
- Simplified meal counting and claiming
- Elimination of need to track and collect unpaid meal charges

[†]Rates shown are for contiguous states in SY19-20, and include the additional performance-based reimbursement. Different rates apply for Alaska, Hawaii and Puerto Rico.

ARAMARK CEP DISTRICT **SNAPSHOTS**

DECATUR PUBLIC SCHOOLS

Students: **9,122**

Schools: **18**

CEP Schools: **18**

Free & Reduced-Price Eligible

Enrollment Before CEP: **79%**

Identified Students: **70.5%**

1st Year CEP:

- **+\$500K funds**
- **+22% student lunch participation**
- **+50% student breakfast participation**
- **-14% waste**

LUBBOCK INDEPENDENT SCHOOL DISTRICT

Students: **27,100**

Schools: **48**

CEP Schools: **45**

Identified Students: **58%**

With CEP:

- **+100 meals/school daily participation (average)**
- **Decreased community food insecurity**

WASHOE COUNTY SCHOOL DISTRICT

Students: **64,000**

Schools: **104**

CEP Schools: **40**

Free & Reduced-Price Eligible

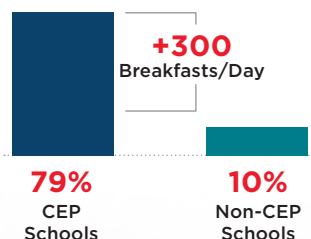
Enrollment Before CEP: **43%**

Identified Students: **39%**

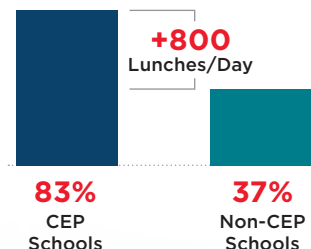
Total Breakfast increase YOY since implementing CEP: **1,834 meals/day**

Total Lunch increase YOY since implementing CEP: **856 meals/day**

BREAKFAST PARTICIPATION



LUNCH PARTICIPATION



TOP QUESTIONS ABOUT CEP TRANSITIONS

While CEP can deliver several benefits to schools and districts that qualify, it also presents several challenges. Unprepared districts can find their foodservice programs losing funds and delivering poor student outcomes if not properly managed.

What happens to my Title I funding?

Without free and reduced-price meal applications, district officials often ask, “How do I know how much I will receive in Title I funding annually, and will it go to the right buildings?” The answer is there is no change in the entitlement of Title I funds to the district. There is a change in the ranking of individual schools for Title I purposes.

With CEP, each district has four different ranking formulas available to address this and can choose the one that best fits their current Title I allocations. Additionally, in year one, there does not have to be any change in how entitlement is disbursed as districts are able to use the prior year’s ranking.

When should schools or districts transition to CEP?

When the district’s or school’s population of identified students reaches 62.5%, there is no financial risk in transitioning. Below 62.5% “identified students,” schools may risk losing revenue or taking on unsustainable costs when switching to CEP. Below 62.5% identified students, CEP schools are reimbursed using a mix of the paid rate and the free rate. Because the paid rate is substantially lower, this means some districts can end up providing more meals at a lower reimbursement rate. Similarly, districts with high free and reduced-price eligible enrollment may find that their identified students percentage is significantly lower for a variety of reasons. For this reason, districts below 62.5% identified students should carefully examine the data before transitioning.

Consider the following scenario:

Fifty-five percent of students at Fictional Public Schools are eligible for free meals, and 14% are eligible for reduced-price meals. The district regularly sees 70% overall meal participation, mainly from meals served to these students. But only 42% of the students at Fictional Public Schools are categorically eligible as “Identified Students.” Under CEP, Fictional Public Schools would be reimbursed for $42 \times 1.6 = 67.2\%$ of meals served under the free rate. The rest are reimbursed at the paid rate. The district increases participation to 80%. Overall, their federal reimbursements decrease by 16%, and they also incur the additional costs for providing more meals.

But while many districts that succeed with the CEP program claim 100% of students at the free reimbursement rate, success is also possible at lower reimbursement rates.

An analysis of CEP data from participating Aramark districts in the Northeast shows the majority of districts have lower meal claim rates while still improving school funds with their CEP programs. For these districts, the average free meal claim rate is 90.6%, which corresponds to 56.6% identified students. Some even have free meal claim rates as low as 70%. Aramark helps districts with lower free meal claim rates achieve success through strategic menu planning, leveraging buying power and improving operational efficiency.

ACHIEVING CEP SUCCESS WITH FEWER IDENTIFIED STUDENTS: **LOCKPORT CITY SCHOOLS**

Lockport City Schools is proof it's possible to succeed under the CEP program even with less than 62.5% identified students. The New York school district has nearly 5,000 students, eight school buildings under the CEP and 48.75% identified students. To supplement its revenue, the district introduced breakfast in the classroom, as well as "second chance" breakfast students can eat later in the morning. The district also expanded menu options at all grade levels for lunch and transitioned its foodservice labor to Aramark. In the 2018-19 school year, the district achieved a profit of \$553,152 in its foodservice fund. This additional funding allowed it to purchase new equipment at multiple buildings and new seating for the high school cafeteria to further improve participation and program quality. The district is also adding the At-Risk Afterschool Meals component of the CACFP program to serve additional students.



OTHER **OPTIONS** FOR SCHOOL DISTRICTS

For some districts, it may not make financial sense to move to the Community Eligibility Provision, but there are other ways they can provide additional meals at no cost to students.

Provision 2

Provision 2 is an option for schools participating in the National School Lunch and School Breakfast programs to reduce paperwork, simplify the logistics of operating school meal programs and offer meals at no cost to students. Schools using Provision 2 reduce administrative and program costs by only needing to collect meal applications once every four years and by eliminating the need for meal counting and claiming for free and reduced-price meals. Schools can also recertify each year if they choose or if it is advantageous to lock in a higher reimbursement level. Additionally, Provision 2 has minimal impact on Title I dollars and can be a helpful bridge step between participating in CEP and staying full-paid because each building has its own free and reduced-price meal results that reimbursement is based upon. As a result, Provision 2 can also support maximizing free and reduced-price applications because the USDA requires promotion of the free meal offered under Provision 2. The district can get a clearer picture of its Title I funding in the coming years by advertising to caregivers that turning in completed applications will result in free breakfasts and lunches for their child.

In addition to the financial and administrative benefits, schools implementing Provision 2 also often see improved speed of service. Along with reduced stigma, shorter lines help to drive increased participation.

Schools may use Provision 2 for either or both of the National School Lunch Program and School Breakfast Program. Since all students receive the meals at no cost under Provision 2, schools typically break even on costs between providing these no-cost meals and their reduced administrative burdens around 75% free and reduced eligibility when offering both no-cost breakfast and lunch and around 60% when offering only no-cost breakfast.



At-Risk Afterschool Meals

Schools with school days that run at least one hour longer than the local education agency (LEA) minimum and meet certain other criteria are also able to receive reimbursements at the free rate for meals and snacks through the At-Risk Afterschool Meals component of the CACFP even when those meals and snacks are served during the school day. Since the attendance area needs only a minimum of 50% of students eligible for free and reduced-price meals under the National School Lunch Program to meet the area eligibility, this allows some schools to functionally serve a no-cost lunch and snack without the same financial barriers of CEP.

This “Supper in the Classroom” approach is an emerging solution among school districts to provide more students with no-cost meals. A Share Our Strength national teacher survey on in-classroom meals found that the meal service took 15 minutes on average, and a pilot conducted in four elementary schools found that 15 to 20 minutes was sufficient for Supper in the Classroom.¹

Other schools that do not operate expanded learning times may still be able to improve child nutrition access by offering At-Risk Afterschool Meals immediately after the final bell to maximize participation.

80%

PARTICIPATION

– Supper in the Classroom Pilot Study

The Impact of COVID and Shutdowns on Food Insecurity

The COVID-19 pandemic has amplified the already widespread problem of food insecurity in America. As of June 2020, over 47 million Americans had filed jobless claims, according to the U.S. Department of Labor, and there were nearly 20 million continuing claims (people receiving unemployment benefits). That brought the national seasonally adjusted insured unemployment rate to 14.8%. That's significantly higher than it was at the height of the Great Recession, when unemployment peaked at 10% in 2009. It is estimated that over 90 million Americans belong to households where one or more members lost their job. At the same time, many food pantries are experiencing a shortage of supplies and volunteers while trying to meet increased demand. Reuters reported that more than a third of New York City's food banks had closed in late April, according to the New York City Mission.

All this means communities will rely even more heavily upon school districts for affordable or no-cost meals, as well as other support in addressing rises in food insecurity.



HOW TO ENSURE A SUCCESSFUL TRANSITION

Whether your district is making the transition to the Community Eligibility Provision, Provision 2 or another program, there are several steps you can take to ensure a successful transition.

Do the Pre-Work

Make sure your food service team has fully considered the impact the transition will have on the school nutrition program, and whether or not it is sustainable financially.



Effective Communications

... to Teachers, Staff and Administrators: Have a detailed communications strategy to ensure everyone fully understands the district's responsibilities and policies within these programs.

One important detail for everyone to understand is that meals come at no cost to students and their families under CEP, but they are not “free.” For example, a field trip with 25 students that orders bagged lunches is still charged for 25 lunches, but the district is only federally reimbursed for meals the kids actually take.

“ We first had to sell the CEP program to our schools’ principals to make sure the program worked for them. Then, with their endorsement, we gained traction with the teachers and staff.”

— Scott Gregory, General Manager, Decatur ISD

... to Students and Their Parents/Guardians: Families often plan based on whether or not their student qualifies for free or reduced-price school meals. Making sure that parents know that all students can get a free meal after the transition is critical for the many parents who may assume based on past years that their student does not qualify. Clear communication through multiple avenues helps overcome these default assumptions.

Prepare for Higher Participation

Forecasting, Orders and Production: Schools and districts transitioning to CEP should anticipate higher participation – and have a marketing strategy to ensure it occurs. This means needing to take into account changes in product ordering and production. Districts need to forecast accurately to meet increased demand without over-ordering or overproducing. In some cases, to support increases in production, districts should consider new equipment, such as ovens, warmers and milk coolers (as Washoe CSD did).

Assigning Staff: Schools and districts need to leverage staffing efficiencies to produce an increased number of meals without resulting in excess costs as more students opt to eat a school meal. One example is shifting dining staff into new positions where appropriate to cover the higher volume of students eating breakfast and lunch. For instance, our accounts, like Lubbock ISD, Washoe CSD, and Decatur Public Schools, set targets for the number of meals served that factors in staffing levels to ensure everyone has a consistent workload, even if some staff members are rotated to different areas.

Work with a Partner Who Has Done it Before

Aramark is a leading partner to hundreds of CEP schools and districts across the U.S. We bring experience and expertise to the table to help schools and districts make a smooth transition to CEP, including:

- ▶ **CEP Calculation Expertise:**

We use standardized tools to help determine whether a school or district should transition to CEP, using factors such as free and reduced-price meal eligibility percentages from field operators.

- ▶ **CEP Communications:**

We have developed best practices for educating key parties about CEP, including staff and administrators, teachers, parents and guardians, and students.

- ▶ **School Dining Program Management:**

We have over 60 years of experience helping K-12 schools optimize their student dining programs, including growing participation, maximizing operational efficiencies, managing K-12 finances, and training and developing staff.

- ▶ **Student Meal Planning:**

Our chefs, dietitians and culinary experts use extensive student and marketplace research to develop programs that have a record of satisfying desires for flavor, variety, convenience and meeting and exceeding USDA regulations.



IS YOUR SCHOOL OR DISTRICT READY TO FEED MORE STUDENTS IN NEED?

Partnering with Aramark provides you with a comprehensive program that optimizes every step of the process — ensuring your students and schools gain the maximum benefits from the CEP program and other programs designed to provide free or reduced-cost meals to students.

Ready to help your district achieve success with CEP and other programs?



CONTACT US TODAY

Aramark (NYSE: ARMK) proudly serves the world's leading educational institutions, Fortune 500 companies, world champion sports teams, prominent healthcare providers, iconic destinations and cultural attractions, and numerous municipalities in 19 countries around the world. Our 280,000 team members deliver innovative experiences and services in food, facilities management and uniforms to millions of people every day. We strive to create a better world by making a positive impact on people and the planet, including commitments to engage our employees; empower healthy consumers; build local communities; source ethically, inclusively and responsibly; operate efficiently; and reduce waste.

Aramark is recognized as a Best Place to Work by the Human Rights Campaign (LGBTQ+), DiversityInc, Black Enterprise and the Disability Equality Index.

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For more information visit us at:

K12INSIGHTS.ARAMARK.COM

¹No Kid Hungry: Increasing CACFP Afterschool Meals with Supper in the Classroom

²US Department of Labor News Release, June 4

³US Bureau of Labor Statistics

⁴Kaiser Family Foundation

⁵US Food Banks Run Short On Staples As Hunger Soars, Reuters, April 24

