E-rate discounts range from 20% to 90% for Category 1 services and from 20% to 85% for Category 2 services/equipment. Each applicant's discount is determined by whether a school or library is located in an urban or rural area and the economic need of the students attending the school district (or school in the case of a single school entity). Economic need is measured by the percentage of students whose family incomes are at or below 185% of the federal poverty guidelines. This is the same income means test as used by the National School Lunch Program (NSLP), although whether the student or school in which the student is enrolled actually participates in NSLP is not a determining factor for computing E-rate discounts.

E-rate Discount Matrix

The maximum discount for Category 1 services is 90%, and the maximum discount for Category	2 is 85%.
All other discount bands for Category 2 and all discount bands for Category 1 are identical.	

	Cate	gory 1	Cate	egory 2
Students Eligible for the National School Lunch Program	URBAN Discount	RURAL Discount	URBAN Discount	RURAL Discount
Less than 1%	20%	25%	20%	25%
1% to 19%	40%	50%	40%	50%
20% to 34%	50%	60%	50%	60%
35% to 49%	60%	70%	60%	70%
50% to 74%	80%	80%	80%	80%
75% to 100%	90%	90%	85%	85%

The enrollment and NSLP data is entered in each school's EPC profile. The discounts are automatically calculated and brought forth to the Form 471 for that funding year. Library discounts are partially based on the NSLP eligibility of the public school district in which the library or library system's main branch is located, and so each library must identify in their EPC profile the appropriate school district so the discounts are calculated properly.

Discount Calculations by Entity Types

School District

To calculate the discount for a school district:

- Determine the total number of students eligible for the National School Lunch Program (NSLP) in the entire school district.
- Determine the total number of students in the school district.
- Divide the first number by the second number to get the percentage of students eligible for NSLP in the school district.
- Using this percentage and the urban or rural status of the school district, find the appropriate Category One and Category Two discount for the school district in the discount matrix.

Each school and each eligible non-instructional facility (NIF) shares the overall school district discount. If only one school in the district receives a service, or that service is shared among all or a subset of schools in the district, the discount does not change.

Individual School

An individual school that is part of a school district does not calculate its discount based on its own student population.

An independent school – a school that does not share a common board with other schools and is individually responsible for its finances and administration – would follow the school district calculation method above, using its student population numbers and the urban or rural status of its physical location.

Library System

To calculate the discount for a library system:

- Determine the total number of students eligible for the National School Lunch Program in the public school district in which the **main branch of the library** is located.
- Determine the total number of students in that school district.
- Divide the first number by the second number to get the percentage of students eligible for NSLP in that school district.
- Using this percentage and the urban or rural status of the library system, find the appropriate Category 1 and Category 2 discount for the school district in the discount matrix.

Library Outlet or Branch

Each library outlet/branch and each eligible library NIF shares the library system discount. If only one library outlet/branch in the library system receives a service, or that service is shared among all or a subset of library outlets/branches in the library system, the discount does not change.

Independent Library

An independent library is one that is not a branch of a library system. The discount for a single, nonbranch, library is calculated as follows:

- Determine the total number of students eligible for the National School Lunch Program in the public school district in which the **main branch of the library** is located.
- Determine the total number of students in that school district.
- Divide the first number by the second number to get the percentage of students eligible for NSLP in that school district.
- Using this percentage and the urban or rural status of the library system, find the appropriate Category 1 and Category 2 discount for the school district in the discount matrix.

Consortium of Schools and/or Libraries (including Regional Library Systems)

To calculate the discount for a school or library consortium:

- List each member of the consortium or statewide application together with its discount as calculated above.
- Total each consortia members' discounts and divide by the number of members.
- Regional Library Systems (often referred to as Library Districts) are classified as Library Consortium in EPC.

Keep the following in mind:

- Consortia applications do not have an urban or rural status. The discount is a simple average of the member discounts, and the urban/rural status is determined at the building level.
- The discount for a consortium application applies to all services requested on the application, whether one member, a subset of members, or all members share the service.
- Consortium applications are the only applications that can have a discount that does not appear on the discount matrix (e.g., 72%, 45%, etc.) because the consortium discount is a calculated average of the member discounts.
- If the discount calculation results in a decimal, round down to the nearest whole number for decimals less than 0.5 and round up for decimals equal to or greater than 0.5 (e.g., 74.4 becomes 74, 62.5 becomes 63).

School or Library Non-Instructional Facility without Classrooms

A non-instructional facility (NIF) is a school building without classrooms or a library building without public areas. A school NIF that does contain classrooms is still treated as a NIF. When eligible for support, school NIFs receive the same discount as the school district and library NIFs receive the same discount as the library system.

The discount for a NIF is derived from the school district or library system regardless of the physical location of the building. NIFs are not counted in the district or system's urban/rural determination.

New School Construction

You must first determine whether you know the population of students that will attend the school. If you know which students will attend the new school, calculate the discount for that individual school as described above.

If you do not know which students will attend the new school, you can provide a reasonable estimate of the number of students who will be attending that school during a particular funding year and seek support for the estimated number of students who will be attending.

Once the student population is known, you may update the discount calculation based on the actual student population during Program Integrity Assurance (PIA) review of your application. In order for your discount calculation to be updated with the actual student population, you must notify PIA before your Funding Commitment Decision Letter (FCDL) is issued.

New Library Construction

For a new library, calculate the discount as described above under library outlet or branch using the student information from the public school district in which the main branch of the library is (or will be) located.

Head Start, Pre-kindergarten, Juvenile Justice, or Adult Education

You must first determine if the students and/or facilities in these programs are eligible in your state using the Eligibility Table for Non-Traditional Education. If they are eligible, calculate the discount for an individual school (or a NIF with classrooms as appropriate) as described above. All Head Start students that meet the age requirement are considered eligible for NSLP.

Alternative Discount Mechanisms

For schools that either do not participate in NSLP or choose not to use NSLP participation numbers, there are certain acceptable alternative discount mechanisms that can be used to calculate an equivalent measure for the percentage of students eligible for NSLP. In all cases, these mechanisms must be based on or not exceed the same measure of poverty used by NSLP.

As above, applicants using an alternative discount mechanism must maintain accurate and complete documentation of the calculations that support their funding requests. Remember that documentation must be retained for at least ten years after the last date to receive service.

Starting with FY 2015, the FCC updated the definition of "rural" and the manner in which schools and libraries determine their urban or rural status. An individual school and library will be designated as "urban" if located in an "Urbanized Area" or "Urban Cluster" with a population of 25,000 or more as determined by the U.S. Census Bureau. Any school or library not designated "urban" will be designated as "rural" and therefore eligible to receive additional discounts in some cases.

Urban/rural status for an individual school or library:

USAC will compare the address of record for a school or library to the U.S. Census data to determine if the school or library is in an area that is considered urban or rural. USAC's database will then be updated to reflect the appropriate status, as follows:

- "U" if the school or library is considered urban
- "R" if the school or library is considered rural
- "?" if the status cannot be determined for example, if the school or library does not exist in the USAC database or the address information for the school or library is incorrect or incomplete

The Urban/Rural Lookup Tool is designed to help applicants determine their urban or rural status. The tool is available online at <u>https://opendata.usac.org/E-rate/E-rate-Entity-Search-Tool/59r2-zbdq</u>. There is a video guide for how to use it. <u>https://www.usac.org/video/sl/E-rate-Entity-Search-Tool/story.html</u>

Urban/rural discount for a school district or library system:

If <u>more than</u> 50% of the schools in a school district or libraries in a library system are considered rural, the school district or library system is eligible for a rural discount. If 50% or less of the entities are considered rural, the school district or library system is eligible for an urban discount.

Individual schools:

- An individual school must use the discount calculated for its school district, even if the individual school applies for E-rate Program funding on its own. For example, even if an individual school is considered rural, it must use the urban discount calculated for its school district if its school district is eligible for an urban discount.
- However, an independent school a school that does not share a common board with other schools and is individually responsible for its finances and administration uses only its student population numbers to determine the level of poverty and the urban or rural status of its physical location for its discount calculation.

School districts:

• Non-instructional facilities (NIFs) – including NIFs with classrooms – do not have an urban or rural status and do not count toward the urban or rural determination for the school district.

- If there are charter schools that are part of the school district, they count toward the urban or rural determination for the school district.
- If a school has several locations not on the same campus and therefore several different entity numbers but is considered to be a single school by the state, only the main location counts toward the urban or rural determination for the school district.
- If a school is considered to be a school by the state but it does not serve as the home school for any students for example, a vocational education school it counts toward the urban or rural determination for the school district.
- A group of schools that acts as a school district for example, diocesan schools that share a common board and are not individually responsible for finances and administration may file as a school district and determine the "school district" eligibility as described above for an urban or rural discount.

Individual library branches (outlets)

- An individual library outlet/branch must use the discount calculated for its library system, even if the individual library outlet/branch applies for funding on its own. For example, even if an individual library outlet/branch is considered rural, it must use the urban discount calculated for its library system if the library system is eligible for an urban discount.
- However, an independent library a library that does not share a common board with other libraries and is individually responsible for its finances and administration uses only the level of poverty from the public school district in which it is physically located and the urban or rural status of its physical location for its discount calculation.

Library systems:

- NIFs do not have an urban or rural status and do not count toward the urban or rural determination for the library system.
- Bookmobiles and kiosks can be considered library outlets/branches and counted toward the urban or rural determination for the library system. USAC will use the address in its database for the bookmobile or kiosk to determine its urban or rural status.

Consortia and statewide applications:

• Consortia and statewide applicants do not have an urban or rural status. Each entity that is a member of the consortium or statewide application calculates its discount using the appropriate level of poverty and urban or rural determination as described above.

NSLP/Enrollment Guidance for Schools with Part-Time Students

Schools that have part-time enrollments -- schools within a district (example A), regional schools such as vo-techs (example B), and half-day kindergarten schools within a district (example C) -- should follow the following guidance related to entering data in their EPC profiles. EPC profiles require the following fields to be populated:

- ✓ Full Time Students
- ✓ Peak Part-Time Students
- ✓ Total Part-Time Students
- ✓ NSLP Eligible Students

(**Hint**: The NSLP and Full Time Students fields are used to calculate the district's overall discount. The Full Time Students and Peak Part-Time Students fields are used to calculate the building's C2 budget).

A) Schools <u>within</u> a school district that serve only part-time students (for example, a vocational school within a school district).

In this scenario, all of the students attend this school part-time and are reported as full-time students at another school within the same school district.

-- **Discount:** Because the students are already included in the number of full-time students and the number of students eligible for the National School Lunch Program (NSLP) at their home school, enter 0 for both the full-time students and NSLP-eligible students at this school. EPC sums the total number of full-time students and the total number of students eligible for NSLP across all of the schools in your district in order to calculate your district's discount rate. As a result, listing the students again for this school would result in double-counting students, which is not allowed. All schools within the school district receive the same, district-wide discount rate, so schools in this scenario will still benefit from the district discount rate.

-- **C2 Budget:** For the C2 Budget, you will enter student counts. Enter the part-time and peak part-time student counts based on the students that attend this school. The part-time student count is the total number of students that attend the school on a part-time basis. The peak part-time student count is the highest number of students that attend this school on a part-time basis at any point during the school day. For example, if a school has 60 part-time students in the morning and 40 part-time students in the afternoon, the total part-time student count is 100, and the peak-part time student count is 60, because this is the largest number of part-time students that attend at the same time. The C2 budget for all schools is based on the number of total full-time students plus the peak part-time students. In this scenario, this calculation would be zero full-time + 60 peak part-time students, for a total of 60 students.

B) Independent schools that serve only part-time students (for example, a regional vocational school shared by multiple school districts).

In this scenario, students attend their home school for part of the day, and then attend the regional vocational school for the rest of the day. In contrast to the previous scenario, the vocational school does not belong to a school district, and draws students from a number of different school districts.

-- **Discount:** List the total number of students that attend this school as the school's full-time student count, along with the number of those students that are eligible for NSLP. Enter 0 in the part-time and peak part-time student counts. Because this school is not part of a school district, the discount rate is based on the students that attend this school, along with the school's urban/rural status. *Hint: Full-time doesn't mean full-day -- it means total enrolled*.

-- **C2 Budget:** Because all students are now counted as full-time (enrolled) students, enter 0 for both peak part-time and part-time students. The C2 budget for all schools is based on the number of enrolled students plus the peak part-time students. Entering the students again as part-time or peak part-time students would result in over-calculating the C2 budget for the school.

C) Pre-K schools where all students attend school half-days.

In this scenario, the students attend school for part of the day but do not attend any other school for the rest of the day. These students' half-days are their full school day. For example, students may be enrolled in either morning or afternoon classes.

-- **Discount:** List the total number of students that attend this school as the school's full-time enrollment, along with the number of those students that are eligible for NSLP. List 0 for peak part-time and part time students.

-- C2 Budget: Because all students are counted as full-time students, enter zero for both peak part-time and part-time students. The C2 budget for all schools is based on the number of full-time students plus the peak part-time students. Entering the students again as part-time or peak part-time students would result in over-calculating the C2 budget for the school.

Screen Shots of Entity Data Base

https://opendata.usac.org/E-rate/E-Rate-Entity-Search-Tool/59r2-zbdq



NOTE: The Entity Data base contains all the EPC profile information for each entity including --

- Category 2 enrollment numbers (Columns AN AP).
- Student enrollment number (Column BU)
- NSLP number of students (Column BX)
- CEP Info (Column BY BZ)

1	A	В	С	D	E	F	AN	AO	AP	BU	BX	BY	BZ	CA
	Entity Name	Entity Number	Entity Type	Parent Entity Name	Parent Entity Number	Parent Entity Type	C2 Student Count Reporting Type	C2 District Student Count	C2 School Student Count	Total Number of Full- Time Students	Number of NSLP Students	Communi ty Eligibility Program (CEP)	CEP Percentage	Alternativ Discount Method
1	*	*	*	ΨĪ	*	-	¥	*	¥	¥	¥	v	×	
2	Aberdeen Alternative Scho	16070358	School	Aberdeen School Distri	134200	School District	A number	for each sch	2	2	2	No		None
3	Central High School	66206	School	Aberdeen School Distri	134200	School District	A number	for each sch	1,342	1,325	468	No		None
4	Holgate Middle School	66207	School	Aberdeen School Distri	134200	School District	A number	for each sch	541	504	184	No		None
5	Lee Elementary School	66222	School	Aberdeen School Distri	134200	School District	A number	for each sch	364	367	70	No		None
5	Lincoln Elementary School	66208	School	Aberdeen School Distri	134200	School District	A number	for each sch	305	273	171	No		None
7	Mike Miller Elementary	17004949	School	Aberdeen School Distri	134200	School District	A number	for each sch	251	253	100	No		None
8	Overby Elementary School	66209	School	Aberdeen School Distri	134200	School District	A number	for each sch	373	348	188	No		None
9	Simmons Elementary Scho	66210	School	Aberdeen School Distri	134200	School District	A number	for each sch	391	391	161	No		None
10	Simmons Ms	66211		Aberdeen School Distri	134200	School District	A number	for each sch	554	502	211	No		None
1	Tiffany Elementary School	66212	School	Aberdeen School Distri	134200	School District	A number	for each sch	335	318	152	No		None
2	Blunt Elementary School	66366	School	Agar-Blunt-Onida Scho	232487	School District	A number	for each sch		29		No		None
3	Onida Elementary School	16042378	School	Agar-Blunt-Onida Scho	232487	School District	A number	for each sch	71	71	5	No		None
4	Sully Buttes Elementary Scl	66367	School	Agar-Blunt-Onida Scho	232487	School District	A number	for each sch	100	100	20	No		None
.5	Sully Buttes High School	66368	School	Agar-Blunt-Onida Scho	232487	School District	A number	for each sch		75		No		None
6	Sully Buttes Jr High School	66369		Agar-Blunt-Onida Scho		School District				55	13			None
7	Alcester Hudson Jr High	202395	School	Alcester-Hudson Schoo		School District				53		No		None
8	Alcester-Hudson Elem Sch	65757		Alcester-Hudson Schoo		School District				175		No		None
9	Alcester-Hudson High Scho	65756	School	Alcester-Hudson Schoo	134050	School District	A number	for each sch	104	104	25	No		None
0	Andes Central Elem School	66155	School	Andes Central School E	134175	School District	A number	for each sch	189	140	140	Yes	0.92	
1	Andes Central Jr-Sr High Sc	66156		Andes Central School E		School District				148	148		0.92	
2	Lakeview Colony School	66157		Andes Central School E		School District				27		No		Survey
23	Arlington Elementary Scho	65981	School	Arlington School Distric	134116	School District	A number	for each sch	157	157	26	No		None

Students from households whose income is at or below 185 percent of the federal poverty guideline are eligible for the NSLP.

Income Eligibility Guidelines for NSLP eligibility are available on the web page of the United States Department of Agriculture by following the links for "National School Lunch Program" and "Income Eligibility." <u>https://www.fns.usda.gov/nslp</u> The information is also included in this resource manual below and in the income survey sample.

The FCC also allows for the use of other mechanisms to determine a school's level of need, as long as those mechanisms are based on – or do not exceed – the same measure of poverty used by NSLP.

Collecting Data for Discounts: Surveys

A school may design a survey that provides the necessary information that measures a family's level of need. Surveys must be based on the following guidelines:

- The survey must be sent to all families whose children attend the school
 - The survey must, at a minimum, contain the following information:
 - ✓ Name of family and students
 - ✓ Size of the family

•

✓ Income level of the family

Income data (or eligibility data based on income) from a survey used to support a discount level for a funding request cannot be older than two years before the start of the funding year (FY). For example, the data gathered from an income survey done in September 2021 can be used for funding requests for FY 2021 and FY 2022, but not for FY 2023. Therefore, surveys must be done at least every other year.

Applicants may use NSLP applications as their survey instrument. The results of a survey may not be extrapolated and must be based on the actual number of students whose survey responses demonstrate that they meet the NSLP criteria.

Survey Retention Documentation

Applicants must maintain a record of the survey documentation collected to assist in responding to PIA inquiries. Such records should be maintained for a period of ten years after the last day of delivery of the discounted services.

Collecting Income Data

Income data used to support the discount level for a funding request should be collected based on income received by the household during the month before the month in which the survey is conducted.

However, the monthly income of a household containing one or more seasonal workers, self-employed workers, or other workers whose income varies from month to month may not accurately represent the actual circumstances of the household. Such a household can project its annual rate of income for the current year based on the income data that is available.

Applications are distributed at the beginning of the school year. The income data gathered is used to determine eligibility for the twelve-month school year (July 1 to the following June 30) in which the survey is conducted.

Information on the definition of income under NSLP, other income guidelines of the program, and the "Eligibility Guidance for School Meals Manual" can be obtained from the website of the National School Lunch Program. <u>https://www.fns.usda.gov/nslp</u>

Collecting Alternative Measures of Poverty

Participation in one or more of the following programs is currently acceptable as an alternative to NSLP eligibility. Questions on eligibility for these programs can also be included in a survey:

- Medicaid
- Supplemental Nutrition Assistance Program (SNAP), formerly Food stamps
- Supplementary Security Income (SSI)
- Federal public housing assistance or Section 8
- Low Income Home Energy Assistance Program (LIHEAP)

Participation in Temporary Assistance for Needy Families (TANF) is not an acceptable alternative measure of poverty since the participation guidelines are not always equal to or below the level of the income eligibility guidelines (IEGs) for NSLP. Participation in need-based tuition assistance programs is acceptable only if the household income of participants is at or below the IEGs for NSLP.

Other Ways to Collect Data

Existing Sources

Schools may also use existing sources of data that measure levels of poverty, such as need-based tuition assistance programs. However, these measures are acceptable for E-rate Program purposes only if the income eligibility guidelines are equal to or below the income eligibility guidelines for NSLP.

Matching Siblings

If a school has established that the household income of one of its students is at or below the income eligibility guidelines for NSLP, the siblings of that student may also be counted as eligible for NSLP.

For example, an elementary school has established, through a survey, that a student's household income is at or below the income eligibility guidelines for NSLP. That student's household also has a brother and a sister who attend the local high school. The high school may use the status of the elementary school sibling to count his high school siblings as eligible for NSLP, without collecting its own data on that household.

Combining Data

Data used to support a particular discount level must be collected and verifiable on an individual student basis. However, data from multiple sources can be combined to complete the count of students eligible for NSLP.

For example, a school with 100 students sent a survey to the 100 households of these students, and 40 of those households returned the survey. The school finds the income of 20 of those 40 households, each of which has one student in the school, are at or below the income eligibility guidelines for NSLP. The school has also matched 10 students not represented in the survey responses with siblings who are eligible for NSLP, and the school has verified that 15 additional students not represented in the survey responses participate in a need-based tuition assistance program that requires the household income of participants to be below the income eligibility guidelines for NSLP.

The school can combine the individual results from these three sources to conclude that 45 percent of the total enrollment, or 45 (20+10+15) of the 100 students in the school, are eligible for NSLP. The school must be able to verify that it has counted each eligible student only once.

Provision 1, 2 or 3 Schools

The National School Lunch Act incorporates three alternative provisions to the normal requirements for annual determinations of eligibility for free and reduced price school meals. For schools that meet the requirements of one of these provisions, annual notification of program availability and certification of children eligible for free meals may be reduced to once every two consecutive school years or less. USAC defers to these reporting requirements and does not require more documentation than is required under these provisions.

Schools participating in one of these three provisions can use the percentage of students eligible for free and reduced lunches acceptable under that provision to determine the discount they enter on their FCC Form 471. However, such schools must be able to produce the documentation required under that provision if requested. Specifically, a Provision 2 or Provision 3 school must have copies of its site application, approval letter from its state to participate in that provision, base year statistics, and the state letter approving an extension (if applicable).

Community Eligibility Provision

Beginning with FY 2015, schools and school districts participating in the Community Eligibility Provision (CEP) use their approved direct certification percentage to determine their NSLP percentage.

For each of its individual schools that participate in CEP, a school district will maintain the correct direct certification percentage (rather than the number of students eligible for NSLP) and the total student population of the school. The percentage of directly certified students will be multiplied by the CEP national multiplier (currently 1.6) to calculate the effective number of students eligible for NSLP. This calculation is capped at 100% of the student population for the purposes of determining the discount.

Schools that participate in CEP must enter their CEP data in the school's EPC profile.

Unacceptable Ways to Collect Data

The following alternative measures of poverty are not acceptable for determining discounts:

Feeder school method. This method projects the number of low-income students in a middle or high school based on the average poverty rate of the elementary school(s) that "feeds" students to the middle or high school.

Proportional method. This method projects the number of low-income students in a school using an estimate of local poverty.

Extrapolation. Extrapolation is no longer an allowable method, whether more that 50 percent of surveys are returned or a non-random sample of students is chosen to derive the percentage of poverty in a school, such as those families personally know by the principal ("Principal's method") or the families of students who apply for financial aid (a non-random sample).

Title 1 eligibility. This method uses eligibility for Title 1 funds as the criterion for estimating the level of poverty in a particular school. Some measures of poverty eligible under Title 1 are indirect estimates of poverty, and do not equate.

E-Rate Household Income Survey

To be completed by the head of household or designee.

First and Last Name of	
Person Completing Form	
Street	
City, State Zip	

1. STUDENT INFORMATION

Please list all students in your household that attend school. (Enter the grade they will be entering in Fall 2018. (Write on back to list more than 5 students)

Student Name (first, last)	Grade	School Attending

2. TOTAL HOUSEHOLD INCOME

In the table below, please report income information for all family members living in the home. Note: Income may be reported on a monthly OR annual basis, but not both.

	Type of Income	Income Amount	Check if No Income
1	Gross earnings: wages, salary, commissions	\$	
2	Welfare payments, child support, alimony	\$	
3	Payments from pensions, retirement, Social Security	\$	
4	Dividends or interest on savings	\$	
5	Worker's compensation, unemployment, strike benefits	\$	
6	Other (SSI, VA, Farm, other)	\$	
	Total	\$	
I	s this income calculated monthly or annually? (check one)	Monthly 🗖 Annually 🗖	

3. CERTIFICATION

I certify that the above information is, to the best of my knowledge, true and complete.

Signed: _____ Date: _____

INCOME ELIGIBILITY GUIDELINES

For Reduced Price Meals (185% of Federal Poverty Level) July 1, 2023 – June 30, 2024

Household Size	Annual Income Below:	Monthly Income Below:
1	\$26,973	\$2,248
2	\$36,482	\$3,041
3	\$45,991	\$3,833
4	\$55,500	\$4,625
5	\$65,009	\$5,418
6	\$74,518	\$6,210
7	\$84,027	\$7,003
8	\$93,536	\$7,795
For each add'l family member, add	\$9,509	\$793

The Community Eligibility Provision (CEP) under the National School Lunch Program provides a new alternative to NSLP household applications for free and reduced-price meals in high poverty local educational agencies. CEP does not require participating schools to obtain individual income eligibility applications from each student. Instead, it derives estimates of the NSLP eligible population from existing data from other income-based programs.

In order to qualify for CEP, a school, group of schools, or the entire district must have an "Identified Student Percentage" of <u>25%</u> or more and must offer both breakfast and lunch daily to all students. *Note that this ISP was lowered by the USDA and goes into effect on October 26, 2023. See the attached policy memo issued by USDA on September 26, 2023.*

The Identified Student Percentage is composed of students who are eligible for free meals without the need for Household Application. LEAs/schools can obtain the identified student information from lists of Direct Certification (DC), Homeless/Runaway, Migrant, Foster (through county office), Head Start, etc.

Schools opting into the CEP will use the 1.6 multiplier as is currently permitted by USDA and other federal programs. This multiplier is used to account for the students with family incomes that are above the income eligibility guidelines for free meals but would otherwise qualify for reduced lunch meals. Schools are capped at 100% NSLP eligible for purposes of determining the E-rate discount. In other words if the Identified Student Percentage x 1.6 is greater than 100%, the NSLP percentage for E-rate purposes is 100%.

It is important for districts to maintain records and be able to substantiate their figures for PIA and audit purposes by school, and particularly to be able to re-create the calculated number of NSLP eligible students by school (School A = CEP, School B = participation for Oct 2014, School C = survey, etc). The new Online Form 471 will have an optional worksheet to help districts keep track of the individual student counts by school.

Example: Single CEP School Calculations

- School population = 1,000 students
- 50% are directly certified = 500 students
- 500 students * 1.6 = 800 students eligible for NSLP
- 800/1000 = 80% of students are eligible
- DISTRICT REPORTS 1000 ENROLLED AND 800 NSLP ELIGIBLE STUDENTS in the EPC Portal profile for that school

School	CEP	Enrollment	Direct	NSLP Eligible	
	Yes/No		Certified		
Elementary School	Yes	1000	500	800 (500 * 1.6)	
Middle School	No	800	n/a	250	
High School	No	1200	n/a	450	
DISTRICT-WIDE		2000		1500	75% NSLP
					ELIGIBILITY

Example: School District NSLP Eligibility Calculations with Mix of NSLP and CEP Schools



Food and		
Nutrition Service	DATE:	September 26, 2023
Braddock	MEMO CODE:	SP 22-2023
Metro Center	SUBJECT:	Community Eligibility Provision: Implementing the New Minimum Identified Student Percentage
Braddock Place Alexandria VA 22314	TO:	Regional Directors Child Nutrition Programs All Regions
		State Directors Child Nutrition Programs All States
	Issuing Agency/Office:	Food and Nutrition Service/Child Nutrition Programs
	Title of Document:	Community Eligibility Provision: Implementing the New Minimum Identified Student Percentage
	Document ID:	
	Z-RIN:	
	Date of Issuance:	September 26, 2023
	Replaces.	Not Applicable

Replaces:	Not Applicable
	(1) This guidance applies to State agencies and local
	educational agencies administering the National School
Summary:	Lunch Program and the School Breakfast Program. (2)
Summary.	This guidance provides information on the final rule,
	Child Nutrition Programs: Community Eligibility
	Provision – Increasing Options for School

Purpose

The purpose of this memo is to inform State agencies and local educational agencies (LEAs) about changes made to the Community Eligibility Provision (CEP) in the Food and Nutrition Service's (FNS) Final Rule, *Child Nutrition Programs: Community Eligibility Provision – Increasing Options for Schools*, published on September 26, 2023. This final rule amends CEP regulations by lowering the minimum identified student percentage (ISP) from 40 percent to 25 percent. Lowering the minimum ISP will give States and LEAs greater flexibility to offer no-cost meals to all enrolled students if financially viable. This memo provides a general overview of the rule and information on when the new minimum ISP becomes effective.

<u>Overview of CEP Changes via the Final Rule, Child Nutrition Programs: Community</u> <u>Eligibility Provision – Increasing Options for Schools</u>

The changes made by the final rule are effective on October 26, 2023. In accordance with the final rule, changes are made to the minimum ISP needed by an LEA to elect CEP, to elect a CEP grace year, and to be considered eligible or near-eligible for CEP for purposes of the identification, notification, and publication requirements. The final rule only changes the numbers (i.e., 40 percent to 25 percent, 30 percent to 15 percent) consistent with the lower minimum ISP; no additional substantive changes are made by the rulemaking. The changes are described in the table below.

Changes	to CEP as a Result of the Fi	inal Rule
Provision (current regulatory citation)	Previous Minimum ISP	New Minimum ISP (effective 10/26/2023)
Minimum ISP (7 CFR 245.9(f)(3)(i))	LEAs, schools, and groups of schools were required to have ISPs of <u>40 percent or higher</u> to elect CEP.	LEAs, schools, and groups of schools are required to have ISPs of <u>25 percent or higher</u> to elect CEP.
Grace Year Eligibility (7 CFR 245.9(f)(4)(ix))	LEAs, schools, and groups of schools participating in CEP were required to have ISPs of <u>less than 40 percent but</u> <u>equal to or greater than 30</u> <u>percent</u> in year 4 of the CEP cycle to elect CEP for a fifth year, or grace year. $(30 \le ISP < 40)$	LEAs, schools, and groups of schools participating in CEP are required to have ISPs of <u>less than 25 percent but</u> <u>equal to or greater than 15</u> <u>percent</u> in year 4 of the CEP cycle to elect CEP for a fifth year, or grace year. $(15 \le ISP < 25)$
Identification, Notification, and Publication of <i>Eligible</i> LEAs and Schools (7 CFR 245.9(f)(5), (6), (7))	Eligible LEAs or schools had ISPs of <u>40 percent or higher.</u>	Eligible LEAs or schools have ISPs of <u>25 percent or higher.</u>
Identification, Notification and Publication of <i>Nearly</i> <i>Eligible</i> LEAs and Schools (7 CFR 245.9(f)(5), (6), (7))	Nearly eligible LEAs and schools had ISPs of <u>less than</u> <u>40 percent but equal to or</u> <u>greater than 30 percent.</u> $(30 \le ISP < 40)$	Nearly eligible LEAs and schools have ISPs of <u>less than</u> <u>25 percent but equal to or</u> <u>greater than 15 percent.</u> $(15 \le ISP \le 25)$

Electing CEP Mid-year in SY 2023-2024

Because the final rule is effective after the June 30 CEP election deadline for SY 2023-2024, FNS will permit State agencies to request waivers to allow LEAs to take advantage of the new minimum ISP during the current school year. Permitting mid-year CEP

elections allows newly eligible schools to participate in CEP during SY 2023-2024. Requesting a waiver is always at the discretion of the State agency. However, FNS strongly encourages State agencies to allow mid-year CEP elections if there are LEAs in their State interested in electing CEP for this school year. FNS is prepared to provide technical assistance to support State agencies with mid-year implementation. State agencies should contact their FNS Regional Office for more information on requesting a waiver.

Considerations for Electing CEP

Electing CEP is a voluntary decision made by LEAs based on their unique student populations. Prior to participating in CEP, LEA decisionmakers should consider student nutrition, educational, administrative, and financial factors. FNS understands that lowering the minimum ISP to 25 percent will result in more schools being eligible for CEP. However, it is essential to ensure financial viability for newly eligible schools electing CEP at lower ISPs.

LEAs are encouraged to consider their ability to provide meals at no cost to students and cover LEA operating costs with Federal assistance and any other available funds, including State and/or local funds. If the total amount of Federal assistance available does not fully cover the cost of offering all students meals at no charge, LEAs must contribute non-Federal funds (7 CFR 245.9(f)(4)(vii)).

FNS has an updated estimator tool to help LEAs determine if CEP is financially viable, and to help assess LEA groupings to optimize Federal reimbursements. The estimator tool is available at the CEP Resource Center (<u>Community Eligibility Provision | Food and Nutrition Service (usda.gov)</u>).

CEP Notification and Publication Requirements

By April 15 of each school year, LEAs are required to submit lists of schools that are eligible, or nearly eligible, for CEP participation to their respective State agencies (7 CFR 245.9(f)(5)). Similarly, by April 15 of each school year, State agencies are required to notify LEAs of district-wide eligibility and, by May 1, publish lists of LEAs and schools that are eligible and nearly eligible for CEP participation on their websites (7 CFR 245.9(f)(6) and 7 CFR 245.9(f)(7), respectively).

As explained above, the final rule amends the regulations governing State agency and LEA identification, notification, and public notification requirements by changing the minimum ISP for a school to be considered eligible or nearly eligible for CEP. Eligible LEAs and schools are those with ISPs that are 25 percent or higher. Nearly eligible LEAs and schools are those with ISPs less than 25 percent but greater than or equal to 15 percent.

State agencies and LEAs must use the new minimum ISP to determine which LEAs and schools, respectively, are eligible and nearly eligible for the identification, notification, and publication requirements due in April and May 2024. USDA will publish a memo in Spring 2024 reminding State agencies of these requirements.

State agencies are reminded to distribute this memorandum to Program operators immediately. Program operators should direct any questions concerning this guidance to their State agency. State agencies with questions should contact the appropriate FNS Regional Office.

Sincerely,



Tina Namian Director School Meals Policy Division

Guide to Updating Category 2 Budget Data & Discount Calculation Data for FY 2024



October 2023

You are here in the FY 2023 E-rate process:



Purpose of this Guide:

This Guide has two purposes:

- Demonstrate how applicants update their Category 2 enrollment data slide 7
 - Note: libraries enter square footage data instead of enrollment data
- Demonstrate how applicants update their enrollment/NSLP data in each school's EPC profiles for the purpose of calculating their E-rate discount for the upcoming funding year – slide 20
 - Libraries do not enter discount data; their Form 471s will automatically pull the discount data from the public school district in which they are located

What is the Admin Window?

- All C2 budget data and discount calculation data is updated during the 3month period before the Form 471 application window called the 'Admin Window'
 - Admin Window for FY 2023 opened October 28, 2023, and will close in early January 2023 (date not yet set)
- The Form 471 does not ask applicants to enter their enrollment and NSLP data in the actual Form 471 application
 - Form 471 will then pull the enrollment/NSLP data from the schools' profiles to calculate the appropriate district-wide E-rate discounts
 - Category 2 budgets are calculated based on district-wide enrollments
 - System-wide square footage for libraries
 - Consortia 471s will automatically pull the discount data from each consortia member's EPC profiles

Updating Data after Admin Window

- After the Admin Window closes in early January, the school profile data will be "locked down" and the Form 471 window will open
 - It will not be possible to update this data in EPC after the Admin Window closes because that data will be linked to active library and consortia applications
 - If new schools open <u>after</u> the 471 window opens, call USAC at 888-203-8100 and they will try to figure out a work-around in these rare situations
 - Corrections can be made to data by using the RAL Correction Process <u>after</u> the Form 471 has been submitted
 - PIA will review the RAL correction during the application review
 - Not ideal and likely will delay the approval of your application

Source Data for Enrollment/NSLP #s

- Schools typically use the enrollment/NSLP data submitted to the Dept. of Education on their October NSLP Claim Form
 - Although you can use more recent data, the official DOE data is what USAC's PIA team uses to validate your data
 - If you use different data, just be prepared to justify that data during your PIA review
- Sometime in mid to late December, the State DOE will provide the State E-rate Coordinator with the draft data that has not yet been finalized.
 - Schools technically have until December 30, 2023 to update this data
 - Schools that no longer participate in the NSLP program will not have data in this report, but must still provide the NSLP eligibility data in their EPC profiles
 - Draft report also contains CEP % for schools that are CEP schools
 - Upon request from a school official the State E-rate Coordinator will share the draft data for the particular district or school
 - Information is not authorized to be shared with non-school employees

UPDATING CATEGORY 2 ENROLLMENT DATA



Category 2 Budget Calculation Data

- School Category 2 budgets are calculated based on enrollment
- C2 enrollments are not required to be updated each year and may be different from the enrollments used for calculating E-rate discount percentages
- If the enrollment increases and a school is applying for C2 that year, they may update their C2 enrollment data in EPC to receive a higher Category 2 budget for the remainder of the current C2 budget cycle (FY 2021 – FY 2025)
 - However, if the enrollment decreases, schools are not required to make any adjustments and the higher enrollment data (and higher C2 budget) will remain
- Important: If the school has previously applied for C2 in this budget cycle (FY 2021 FY 2025), and they are requesting an increased C2 budget, they must request a Category 2 Budget Replacement with USAC to have the updated enrollment validated during PIA review
 - If this is the first year in this C2 budget cycle that a school is seeking C2, no C2 Budget Replacement must be requested







Updating C2 Budget Profile

Scroll to the bottom of this page until you see this:

THE BEST SCHOOL DISTRICT - (PARENT ENTITY)	Applicant
Physical Address	
ddress Line 1 *	Zip Code *
100 Main Street	19064
ddress Line 2	Zip Code Extension
Apt 2	
ity *	County *
Springfield	Please select a County.
tate *	Please ensure that the address, city, state, and zip code are correct
PA	•
Aailing Address Mailing address is the same as physical address.	71- 0- 4-

C2 Budget Information Section

This is the section you're looking for on the Manage Organization Page

Ne calculate your Categ	ory Two budget and your dis	count rate separately, and	so we collect separate nu	mbers for each. You a	re allowed to	o re-use vour
	ount from year to year within					
How does the district r	eport its student count for	r Category Two budget? 🕝				
One number for my v	whole district					
A number for each so	hool in the district					
Sum of Student Counts	s <mark>of all Schools in the Dist</mark> ri	ct				
5761						
School Information	n					
Entity Number or Nam						
	20					
Blasca aptar an optitu	name/at least 2 characters a	r an antitunumbar				
Please enter an entity	name(at least 3 characters) o	r an entity number				
Please enter an entity	name(at least 3 characters) o	r an entity number		APP	LY FILTERS	CLEAR FILTE
	name(at least 3 characters) o		is the student count			CLEAR FILTE
Please enter an entity Entity Number	name(at least 3 characters) o Entity Name	r an entity number Total Students for C2 budget	Is the student count estimated? •	APPI Eligible for C2 budg		CLEAR FILTE
		Total Students for C2				л <u></u>



If Entering Enrollment by School (B)

Entity Number	Entity Name	Total Students for C2 budget	Is the student count estimated? 📀	Eligible for C2 budge	t?	Click 'EDIT
109	Plainfield Elementary School	115	N/A	۲	EDIT	and the enrollmen
						field becomes editable.
Entity Number	Entity Name	Total Students for C2 budget	Is the student count estimated? 😮	Eligible for C2 budget?		
109	Plainfield Elementary School	115	N/A		UPDATE	Enter the enrollmen
10597	Galla <mark>ude</mark> t Elementary School	227	N/A	٢	EDIT	data, then
10598	Boone Middle School	344	N/A	0	EDIT	click 'UPDATE.'
10599	Franklin High School	555	N/A	•	EDIT	OF DATE.
10600	Bluford Middle School	1234	N/A	0	EDIT	
10601	Guggenheim Elementary School	456	N/A	۲	EDIT	
10602	Anderson Elementary School	1234	N/A	•	EDIT	



Alternative Method of Entering C2 Data

- If using option B (entering enrollment by school), and if also updating each school's enrollment and NSLP data for the year, applicants can update their C2 enrollment at the bottom of each school's EPC profile page
 - This data is then updated on the district's Manage Organization page for that school
 - Entering the enrollment in the discount calculation section will NOT update the C2 enrollment data
 - Those two datasets are not linked



UPDATING DISCOUNT DATA IN SCHOOL PROFILES



Where to Modify Enrollment/NSLP Data in EPC

From your Landing Page...



Opening Each School's EPC Profile







Codes = Optional

• These code fields are all <u>optional</u>. If you try entering data and receive a red error message, just erase the data and submit

State School Code
106172003
State LEA Code
NCES Public State Code
NCES Public District Code
NCES Public Building Code
FCC Registration Number 🤅
0012722211

	After you "submit" the updated data, the system will ask you to give the nodification a nickname
	Organization Modification Nickname
	All changes to your organization can be seen on the Modifications page found in the menu on your left under Modifications. Please enter a short description of the modification made in the field below. Modification Nickname *
	CANCEL
Y	ou can simply click the space bar to proceed to Submit

• To update the next school's data, click on the next tab, then Manage Organization to make the form "editable."



which will be discounts to u	the Discour					the first tab, iin for the
Step 8: Ensure	e your data	is accura	te			
	do not mat nine where			-	n "SHOW	ENTITIES" to
	omer Service Modi ews Related Actior		onal Information	Discount Rate Cor	tracts FCC Forn	15
FRN Appeals N	ews Related Action	15				
More than 50 perce	hiscount Rate	schools must be r				
School District Full-time Enrollment	School District NSLP Count	School District NSLP Percent	School District Urban/Rural Status	Category One Discount Rate	Category Two Discount Rate	Voice Discount Rate
3575	1890	53%	Rural	80%	80%	
SHOW ENTITIES						
Review	ving Va	nur D	liscou	nt Ra	to	
Review	ving Yo	our D)iscou	nt Ra	te	
Review	ve this m	iessage,	it means	there is		ssing

problems			School District	School	School District
			Full-time Enrollment	District NSLP Count	NSLP Percent
			3575	1890	53%
Entity Details			SHOW ENTITIES		-
Organization	BEN	Total Number Of Students Enrolled In School	Total Number Of Students NSLP	in School Eligible For	
WASSON ELEMENTARY SCHOOL	17255	409	305		
DU BOIS AREA MIDDLE SCHOOL	17260	910	─ ←	If a field	d is blank, this
JUNIATA ELEMENTARY SCHOOL	17261	391	179	is where	e the problem
DU BOIS AREA SR HIGH SCHOOL	170.00	1000	446		
DO BOIS AREA SK HIGH SCHOOL	17262	1060	440		exists

subtypes, and therefore is	lifies as one of the three new schools put into the C2 budget calculation on that school's EPC profile page:
School Information	
School Sub-Type *	Is this school part of a school district?
Public School	Yes
O Private School	17320
Check All That Apply Show Help	
Pre-K	New Construction School
Head Start	Swing Space
Adult Education	Detention Center
Uvenile Justice	General-Use School
Dormitory	ESA School
Charter School	BIE
Tribal School	