

PROVISION I & II FACTS

PROVISION I

In order for a school to qualify for Provision I, at least 80% of the children enrolled must qualify for free or reduced-price meal benefits. The 80% enrollment eligibility for this alternative shall be based on the school's March enrollment data of the previous school year. Therefore, if you are interested in applying for Provision I base year approval for July 1, 2020 through June 30, 2021; enrollment eligibility will be based on eligibility figures from March 2020.

Provision I operates on a two-year cycle. **The benefit of participation in the Provision I alternative is to alleviate the burden of processing free and reduced-price meal eligibility applications during the second year of the cycle.** During the first (otherwise known as "base") year, children are determined eligible for free and reduced-price meal benefits by usual methods (surveying via application forms or through the Direct Certification process).

During the second year of the cycle, eligibility information need only be collected for newly enrolled children and those children who were not eligible for free meals during the first year. Children eligible for free meals during the first year of Provision I and who remain enrolled, during the second year of the cycle continue to qualify for free meals without updated eligibility information.

Please note: Schools must continue to implement point of service meal counting and claiming procedures during both years of the Provision I cycle. In addition, **during the base year of Provision I, the State agency must review all meal applications/eligibility documents for each school that has been conditionally approved for Provision I.**

PROVISION II

Provision II operates on a four-year cycle and can be applied for on a school-by-school basis with no enrollment eligibility percentage requirements. However, **under Provision II all children receive meals at no cost.** Therefore, **the sponsor agrees to pay, from other than federal funds,** the program cost differential incurred from not receiving cash income for the meals served to reduced-price and paying children. Because of this stipulation, **Provision II is most beneficial to those schools with at least 90% of their enrollment eligible for "free" meals.**

During the first (otherwise known as "base") year, children are determined eligible for free or reduced-price meal benefits by usual methods (surveying via application forms or through the Direct Certification process). Meals are claimed for reimbursement based on daily counts by category of meals served at the point of service. In other words, the conditionally approved Provision II school collects applications, makes eligibility determinations, and records meal counts by type, just as it would under normal program rules, with the exception that all children eat at no cost. At some point during the base year, **the State agency will conduct a review of all meal applications and meal counting and claiming procedures for each conditionally approved Provision II school. If the State agency finds that meal applications were correctly determined and that meal counting and claiming procedures are accurate within a school, the school will be approved to continue implementing Provision II.**

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During the remaining 3 years, schools, which have been granted final approval to participate in Provision II, need not make new eligibility determinations (**public schools please refer to the Guidance for State Aid**) and they count only the total number of reimbursable meals served each day. Total meal counts are entered in the SNEARS system and the system calculates the reimbursement based on the claiming percent established for the same month in the base year. (Meal counts need not be maintained by category.)

EXAMPLE: (How claiming percentages are applied.)

In order to calculate the lunch counts for November of the second year of the Provision II cycle:

How Provision II Monthly Base Year Claiming Percentages work

Step #1: Determine the percent of lunches served by category during November of the base year. Let's say, for example, if the percents were:

- 91% of the lunches served in November of the base year were served to "free" children
- 5% of the lunches served in November of the base year were served to "reduced price" children
- 4% of the lunches served in November of the base year were served to "paid" children

Step #2: Determine the total number of lunches served during November of the second year of the cycle. Lets say, for example, if the total number of lunches served was 1345.

Step #3: In order to determine the numbers of lunches to claim by category, the following calculations are required:

- $1345 \times 91\% = 1223.95 = 1224$ free meals are to be claimed for November of the second year.
- $1345 \times 5\% = 67.25 = 67$ reduced meals are to be claimed for November of the second year.
- $1345 \times 4\% = 53.8 = 54$ paid meals are to be claimed for November of the second year.

Step #4: To check the numbers of lunches being claimed by category, add:

- $1224 + 67 + 54 = 1345$ (1345 equals the total number of lunches served during November of the second year.

Percentages for breakfast and lunch will be determined by the monthly data entered in the first year on a site by sites basis. These percentages will be used for the remaining three years of eligibility.

If a school finds that reverting back to a regular system of counting and claiming meals is more beneficial, the school can revert back to standard procedures at any time during the Provision II cycle. However, keep in mind that if this change takes place after the completion of the base year, current applications for free and reduced-price meals must be collected for all children enrolled. In addition, parents/guardians must be notified if the school changes from a non-pricing to a pricing program.