

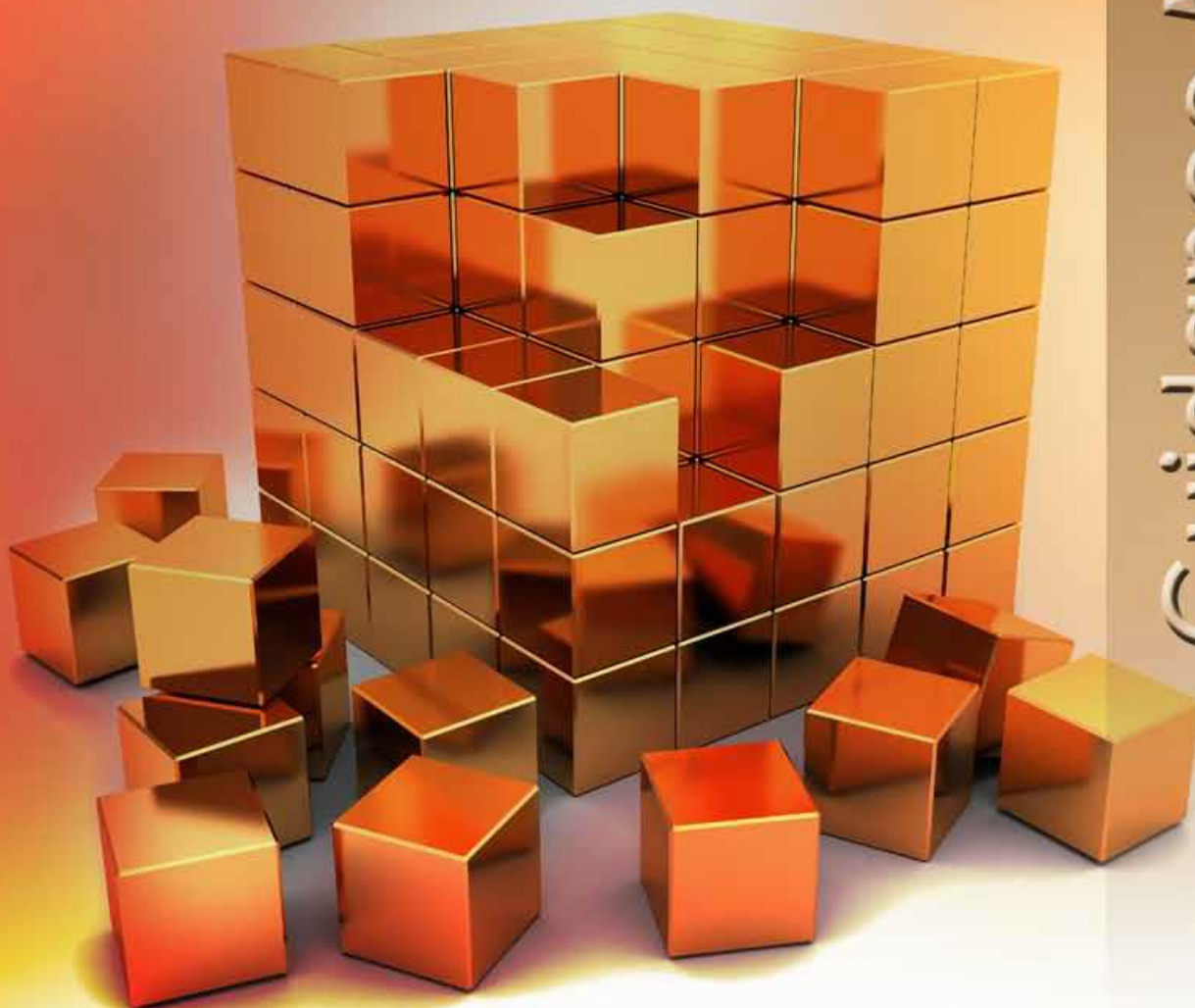
# Special Assistance

## PROVISION 2 AND 3

Arizona Department of Education  
Diane Douglas  
Superintendent of Public Instruction



## Guidance Manual



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## **Special Assistance Overview**

Traditionally, schools annually distribute household meal applications to families of all enrolled students and make determinations of eligibility for free and reduced-price meals under the National School Lunch Program (NSLP) and School Breakfast Program (SBP) guidelines. In addition, schools must count the number of meals served by category (free, reduced-price, and paid) and claim reimbursable meals served to students in these categories. To reduce paperwork and other administration costs at the local level, Congress incorporated into Section 11(a)(1) of the Richard B. Russell National School Lunch Act (42 USC 1759a) three alternative Provisions to the traditional requirements for annual determination of eligibility for free and reduced-price school meals and daily meal counts by type. These alternatives are commonly referred to as Provision 1, 2, and 3. However, Arizona only allows participation in Provision 2 and 3.

Additionally, the Community Eligibility Provision (CEP) was a key provision of the Healthy, Hunger-Free Kids Act (HHFKA) of 2010 and was available in Arizona beginning school year 2014-2015. Like Provision 2 and 3, rather than taking school meal applications to make individual eligibility determinations, schools that have adopted CEP are reimbursed using a formula based on the percentage of students participating in other need-based programs.

## Provision 2 Introduction

Provision 2 is an option that enables Local Educational Agencies to provide free meals to all their students while reducing paperwork and administrative costs. Under Provision 2, all students receive meals at no cost, regardless of income, and the LEA collects applications for free and reduced-price meals once every four years, at most. Also, LEAs do not have to track and record the different categories of meals served for at least three out of every four years. LEAs would incur any cost difference between the cost of serving meals at no charge to all students and the federal reimbursement for the meals. Provision 2 is the best option when population and participation fluctuate.

Provision 2 is a four-year cycle that establishes a CLAIMING PERCENTAGE in the base year (1<sup>st</sup> year) which is then used for the following three non-base years (2<sup>nd</sup>, 3<sup>rd</sup>, 4<sup>th</sup>). At the end of the base year, the site has submitted a claim of free, reduced and paid meals for each month of service. During the next three years, which are referred to as non-base years, the school makes no new eligibility determinations and count only the total number of reimbursable meals served each day. Reduced administrative responsibilities occur during the non-base years. Reimbursement during the non-base years is determined by applying the percentages of free, reduced price and paid meals served during the corresponding month of the base year to the total meal count for the claiming month. For example, the non-base year claim for September will reflect upon the September base year claim percentages. Official claiming percentages are calculated by the Arizona Department of Education and programmed into CNP Web; they are automatically applied to non-base year claims.

The Provision 2 Cycle:

Year 1 (base year)	Year 2 (non-base yr)	Year 3 (non-base yr)	Year 4 (non-base yr)
2016-2017	2017-2018	2018-2019	2019-2020

Each base year MUST start at the beginning of the school year. During the base year, standard meal counting and claiming procedures would still need to be followed; however, SFA's would offer meals to all students at no cost. Applications are collected to determine the claiming percentages from the students' eligibility status. Since household applications are collected and the eligibility status is determined, a claiming percentage can be derived. The claiming percentages represent the ratio of meals served in each category to the total reimbursable lunch and/or breakfast meals served.

For example:

During the base year, there are a total of 1,000 meals served in a month. Since each meal is recorded by category in the base year, the following percentages are obtained:

<b>Eligibility Category</b>	<b>Total Meals Served By Eligibility Category</b>	<b>÷</b>	<b>Total Meals Served</b>	<b>=</b>	<b>Claiming Percentage</b>
Free	800	÷	1,000	=	80%
Reduced	100	÷	1,000	=	10%
Paid	100	÷	1,000	=	10%

A claiming percentage is calculated for each month during the base year and applied to those same months during the next three non-base years.

Therefore, if in the corresponding month of the non-base year 1,500 reimbursable meals were served, the claiming percentages from the base year would be applied:

<b>Eligibility Category</b>	<b>Total Meals Served</b>	<b>X</b>	<b>Claiming Percentage</b>	<b>=</b>	<b>Total Meals Claimed By Eligibility Category</b>
Free	1,500	X	80%	=	1200
Reduced	1,500	X	10%	=	150
Paid	1,500	x	10%	=	150

During approved years (non-base years) of the Provision 2 cycle, the advantages include:

- Exemption from administrative requirements associated with collection of household applications (certification) and conducting verification
- Increased participation and reimbursement in the meal program
- Simplified counting at the point of service
- Simplified claiming alternative based on established claiming percentages

Disadvantages include:

- Difficulty obtaining household applications for certification in future base years
- Financial risk due to a loss of revenues from reduced-price and paid meals when operating a non-pricing program

## Provision 3 Introduction

Under Provision 3, the amount of monthly reimbursement paid for the base year is paid during the next 4 years. These amounts are adjusted for inflation, enrollment and operating days. Provision 3 is the best option when the population and meal participation are unstable.

Provision 3 is a five-year cycle that establishes an AMOUNT OF MONTHLY REIMBURSEMENT in the base year (1<sup>st</sup> year) and those amounts are used for the following months in the four non-base years (2<sup>nd</sup> – 5<sup>th</sup> years). The daily number of total meals served must be recorded so that meal participation levels are monitored. Only total meals are recorded at the point of service and claims are based off actual meals served in the corresponding month from the base year. Official claiming amounts are calculated by the Arizona Department of Education and programmed into CNP Web; they are automatically applied to non-base year claims.

The Provision 3 Cycle:

<b>Year 1</b> <b>(base year)</b>	<b>Year 2</b> <b>(non-base yr)</b>	<b>Year 3</b> <b>(non-base yr)</b>	<b>Year 4</b> <b>(non-base yr)</b>	<b>Year 5</b> <b>(non-base yr)</b>
2016-2017	2017-2018	2018-2019	2019-2020	2020-2021

The base year MUST start at the beginning of the school year. During the base year, standard meal counting and claiming procedures would be followed; however, schools can choose to operate a non-pricing or pricing program. Schools are encouraged to offer all meals at no cost to have optimal participation and develop a level of reimbursement that may be more reflective of participation during the base year. The amount of reimbursement that the school receives in the first year is the amount that they will receive throughout the following four non- base years. However, there is a monthly adjustment based on enrollment, number of serving days, and inflation that may affect reimbursement.

During approved years (non-base years) of the Provision 3 cycle, the advantages include:

- Exemption from administrative requirements associated with collection of household applications (certification) and conducting verification
- Simplified counting at the point of service
- Simplified claiming alternative based on base year reimbursement

Disadvantages include:

- Difficulty obtaining household applications for certification in future base years

- Financial risk due to a loss of revenues from reduced-price and paid meals when operating a non-pricing program
- Fiscal risk if student population/meal counts increase during the non-base years

### **Provision 2 and 3 - Breakfast Only Option**

The Breakfast Only option allows LEAs to participate in a non-pricing program during breakfast and to take advantage of simplified counting procedures at breakfast. This option is a good alternative for LEAs seeking to expand their breakfast participation.

During approved years (non-base years) of the Breakfast Only option, the advantages include:

- Simplified counting at the point of service
- Simplified claiming alternative based on established claiming percentages (Provision 2) or enrollment adjusted meals (Provision 3) for breakfast only
- Increased participation and reimbursement in the breakfast program

**\*LEAs participating in the Breakfast Only option are still required to complete certification, verification, and normal counting/claiming for lunch. LEAs may not participate in a base year for one meal and non-base year for the other meal at the same site.**

## Summary of Provision 2 and 3

	Provision 2	Provision 3
Length of cycle	4 years	5 years
Length of cycle on extension	4 years	4 years
Base year meal type	Non-pricing	Non-pricing or standard pricing (upon approval)
Reimbursement type	Claiming Percentage	Amount of reimbursement
Enrollment/Serving Day adjustments	No	Yes
Option of Delayed Implementation	Yes	No

### Impact of Special Assistance

Operating under a non-pricing program can increase participation and therefore, positively impact students in several ways. Studies demonstrate that students who participate in the NSLP and SBP improve:

- School attendance
- Student behavior
- Test scores

While the benefits that the program has on students are well known, it is important to understand the financial impact of operating under Special Assistance. In general, Local Educational Agencies who understand and excel in the following areas have success financially:

- Certification/Verification Process
  - District wide outreach to encourage parents to complete household applications
  - Competent, well trained, and organized determining official
  - Utilization of a well-trained confirming official
  - Utilization of Direct Certification throughout the school year
  - Maintenance of an accurate benefit issuance document (meal count roster)
- Counting/Claiming Process
  - Point of Service located at the end of the serving line that can match/verify a student's reimbursable meal to the student's eligibility status
  - Accurately consolidating and verifying meal counts



**\*The Certification/Verification and Counting/Claiming processes directly determine the amount of reimbursement that will be received during non-base years. Investing in the staff to execute these processes during the base year will result in increased revenue during the non-base years.**

- Menu Planning/Process Controls
  - Offering a nutritious, well balanced menu that students enjoy will help maximize student participation
  - Execution of well-planned cycle menus that utilize established process controls such as: product specifications/order guides, standardized recipes, and correct use of production records.

**\*How effectively a menu is planned/executed impacts the financial success of all food service programs.**

- Labor
  - Re-distribution/reduction of labor in non-base years to offset reduced administrative duties associated with certification, verification, and counting/claiming in base years.

**\*Labor re-distribution/reduction is one of the key cost savings (during non-base years) associated with operating Special Assistance.**

## Financial Analysis-Is Provision a Good Choice?

To determine the amount of labor and other savings throughout the school year, consider the following:

1. How many labor hours are spent on processing household applications?
  - a. Preparing applications to be sent out
    - i. Include all sites
  - b. Initial collection of applications
  - c. Certifying eligibility status
  - d. Conducting verification
  - e. Continuously collecting, updating and organizing applications
2. How many labor hours are used at the point of service?
  - a. Counting each student by eligibility status
  - b. Entering counts into a Point of Sale (POS) system
3. How much do supplies cost?
  - a. Printing
  - b. Distributing (postage etc.)
4. Other costs associated with traditional NSLP?
  - a. Hardware and technical support costs for POS system


If food service costs are greater than federal reimbursement while operating Special Assistance, other **non-federal funds** must make up the difference.

To gain a better understanding of how your current program may be impacted by participating in Special Assistance you can use the following Special Assistance Financial Analysis Tool.

### Financial Analysis Tool Instructions

You can access the Special Assistance Financial Analysis Tool at the following website:

<http://www.azed.gov/hns/nslp/provisions/>

From the website, click Financial Analysis, and then click . This displays the Excel spreadsheet on your screen and you can begin entering your information. When finished, be sure to save the spreadsheet.

You must have Microsoft Excel version 97 or higher on your computer to use this tool. Follow the onscreen directions to enter your information in the spaces provided.

You may not see the colored boxes on these pages, but you will see them on the website. A green cell indicates a place for you to enter information. A blue cell indicates a place where the spreadsheet displays calculations from the numbers you entered. A red triangle (▼) in the corner of a cell indicates an attached comment that you can view in Excel.

## Section A: Annual Revenue from Meals Served

1. Enter your school/site name in the space provided.
2. Enter the number of serving days in this school year.

<b>1. School Name</b>					
<b>Number of Serving Days in This</b>					
<b>2. School Year</b>					

3. For Sections 3, 4, and 5 enter data from your most recently completed month. For example, if today is February 5, use claim data from January. You will use the numbers entered in this section to estimate your increased participation in Part 3.

<b>3. School Site Data</b>	<b>Counts</b>	<b>% Breakfast participation</b>	<b>% Lunch participation</b>
Serving Days For The School Site In The Month			
Average School Site Enrollment			
# of Students Eligible for Free Lunch		#DIV/0!	#DIV/0!
# of Students Eligible for Reduced		#DIV/0!	#DIV/0!
# of Students That Have To Pay	0	#DIV/0!	#DIV/0!

4. Enter the meal counts for the most recently completed month (the same month that you used in step 3). This information comes from the individual site claim. The reduced and paid student meal costs are entered in this step also.

4. Meal Count Data For This School Site							
			The Month Counts	Federal Reimbursement Per meal	Student Co-Pay Per Meal	Average Daily Federal Reimbursement Revenue	Average Daily Student Copay Revenue
Student Breakfast	Free					#DIV/0!	
	Reduced					#DIV/0!	#DIV/0!
	Paid					#DIV/0!	#DIV/0!
Student Lunch	Free					#DIV/0!	
	Reduced					#DIV/0!	#DIV/0!
	Paid					#DIV/0!	#DIV/0!

5. Enter the total amount of a la carte sales revenue for the month you are using. Estimate the total foodcost of all a la carte items. You want the gross profit from these sales.

<b>5. Monthly A la Carte Sales to Students Only</b>				<b>a la carte amount</b>			
<b>Total Sales (Revenue)</b>							
<b>Total Food Cost Of Items Sold</b>							
<b>Gross Profit</b>				\$ -			#DIV/0!

6. For sections 6 and 7, the spreadsheet calculates the total average daily revenue and the annual revenue for meals served to students.

<b>6. Total Average Daily Revenue</b>						#DIV/0!	#DIV/0!
<b>7. Annual Revenue For Meals Served to Students</b>						#DIV/0!	#DIV/0!



as application collection and meal counts by category. This should help to decrease your labor expenses.

						<b>Estimated % Decrease in Labor</b>			
<b>5. Estimated Decrease in Labor Cost</b>									\$ -

3. Estimate your decrease in a la carte sales and your estimated savings on cost of computerized meal count system. The system, using your information, calculates the write offs and net estimate.

						<b>Estimated % Decrease in Sales</b>			
<b>6. Estimated Decrease in Annual A' La Carte Gross Profit</b>									#DIV/0!
<b>7. Estimated Savings on Cost of Computerized Meal Count System</b>									
<b>8. Write Offs</b>									\$ -
<b>9. Net Estimate</b>									#DIV/0!

Section D. Balance if Provision 2 or 3 is adopted.

<b>D. Balance If Provision 2/3 is Adopted</b>									#DIV/0!
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## How to Apply

Any LEA who has participated in the NSLP for two years may apply to participate in the Special Assistance program beginning their third year on the NSLP program year. New applicants must submit a signed copy of the Special Assistance application no later than June 1. The Special Assistance application can be found at the following website:

<http://www.azed.gov/hns/nslp/provisions/>

## Participation Requirements

Once a completed application is received, the Arizona Department of Education (ADE) will verify that the LEA has participated in the NSLP for a minimum of two years. ADE will notify the LEA (by memo, no later than July 15) of the requirements for entering a base year.

The base year requirements include the following:

- Submit a completed [Free and Reduced-Price Policy Statement](#) and [Provision 2](#) or [Provision 3](#) addendum
- Distribute household applications, parent letters, and media release prior to the first day of school
- Participate in “Applying for a Provision 2/3 Base Year web based training” found at <https://cms.azed.gov/home/GetDocumentFile?id=591c805c3217e120c012fde9>
- Submit a completed copy of the Base Year Provision 2 and 3 Web-based Training Worksheet found at <https://cms.azed.gov/home/GetDocumentFile?id=591c67cf3217e120c012fd7a>
- Submit CNP Web site application(s) indicating Base Year for Special Assistance Provision 2 or Base Year for Provision 3 for breakfast and/or lunch in Section(s) 8 and 9 (the Provision the LEA indicates in the application should be the approved Provision as per the approval to operate base year memo);
  - LEAs indicating Provision 2 base year for breakfast and/or lunch should indicate \$0.00 charged for the meal service operating under the Provision 2
- Submit CNP Web sponsor application with the following indicated:
  - Indicate “Yes” in Section 5. Question: Special Assistance Provision 2/3 Participation Status
  - List the total number of Provision 2 or Provision 3 sites within the LEA
  - Indicate “Yes” to the “Have you attended the Provision 2/3 training prior to the first operating day of the Base Year?” question
  - Indicate “Yes” to the “Have you read and understood the requirements of the Special Assistance Provision 2/3 (see handbook)? question.

**\*Failure to meet the above requirements by the first day of school will result in a denial of the request to participate in Special Assistance. All LEAs who do not meet requirements may re-apply to participate beginning the following school year**

## Administrative Requirements

Once approved to enter in to a base year, the LEA will operate the program under normal NSLP operating conditions. This includes, but is not limited to, the following Keyadministrative areas:


- Distribution, collection, and certification of school year [household applications](#) in accordance with program guidelines
- Completion of Direct Certification within the first forty-five operating days of the school year, 3 months after the initial effort, and 6 months after the initial effort
- Completion of the verification process and reporting in accordance with program guidelines
- Counting/claiming of meals based on benefits issued during the certification process for the entire school year
- Provision 2 LEAs must operate a non-pricing program

**\*Please remember that the benefits of the Special Assistance Program are not realized during the base year. The program must operate in accordance with all NSLP program guidelines.**

## Base Year Reimbursement Claims

Standard claiming procedures (in accordance with NSLP guidelines) are used. Meals must be counted at the point of service by eligibility category (free, reduced price, and paid) and consolidated for each category for the monthly claims. All claims will continue to be processed in CNP Web. See below for an example of the claim screen entry during base years.13675

## Sample Base Year Claim – April 2016


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### Claims

#### NSLP Site Claim

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Enter the information into the form. For meal quantities that are unknown or none served, enter zero (0). Click **Save** to save your changes or click **Cancel** to disregard

#### Regular Claim

<b>Breakfast - Severe Need</b>	
Number of Days Served:	20
Free Meals Served:	3014
Reduced-Price Meals Served:	530
Paid Meals Served:	555
Total Meals Served:	4099
Participants Approved for Free Meals:	194
Participants Approved for Reduced-Price Meals:	31
Participants Approved for Paid Meals:	37
Participants Enrolled:	262
<b>Lunch - High Rate</b>	
Number of Days Served:	20
Free Meals Served:	3431
Reduced-Price Meals Served:	573
Paid Meals Served:	650
Total Meals Served:	4654
Participants Approved for Free Meals:	194
Participants Approved for Reduced-Price Meals:	31
Participants Approved for Paid Meals:	37
Participants Enrolled:	262
<b>At-Risk After-School Snack</b>	
Number of Days Served:	10
Free Meals Served:	505
Participants Enrolled:	262
<b>Attendance Factor</b>	
Attendance Factor:	96 %

**Regular Claim Entry**

- Number of Days Served
- Meals by Eligibility Category
- Participants Approved by Category
- Participants Enrolled

If more than one site will be participating, each school must have their own eligibility data. Also, breakfast, lunch, and snack counts must remain separate. The CNP web system will use your monthly base year claims to automatically calculate reimbursements in non-base years.



\* The data submitted in these base year claims can be used to show free and reduced percentages by month (verification reporting, E-rate audits, grants, etc.) as needed.

## **Claiming Requirements**

Claims must be submitted for each month in which program meals are served. LEAs conducting a base year following the end of a previously approved provision cycle (breakfast and lunch) are not eligible for the 30-day eligibility rollover to start the school year. Provision status offers a claiming alternative to individual sites and therefore, no eligibility can be assigned to individual students, as this information would have last been collected four years previously in the base year. Thus, all students automatically default to a paid status when this process begins.

## **Administrative Review**

During the base year, the ADE will conduct an Administrative Review to verify compliance with NSLP regulations. The administrative review may be conducted as one of the following:

- Administrative Review (AR)– regularly scheduled review
- AR Follow-Up – regularly scheduled review to follow-up on previous year’s AR
- Abbreviated Review – an additional administrative review conducted outside of the regular AR schedule

ADE will review compliance in the following key Administrative Areas:

- Certification
- Counting/Claiming
- Verification

A final determination will be made to certify the base year for the LEA’s entrance into the Special Assistance program. LEAs that do not meet regulations during their administrative review will be sent a Special Assistance Unsatisfactory Base Year memo. LEAs with an Unsatisfactory Base Year, should they choose to, may re-apply to participate in the program the following year.

## **Approval**

LEAs that successfully complete a base year will receive a Special Assistance Certification Memo that outlines the approved Provision 2 or 3 cycle and describes the requirements during the non-base years. The Certification Memo should be retained by the LEA to document the approved Provision 2 or 3 cycle.

## Provision 2 Administrative Requirements-Operating a Non-Base Year

### Breakfast and Lunch

Once the base year is approved the LEA will be able to operate under Provision 2 status for a period of three years. During these non-base years, the LEA is required to comply with the following:

Operate a non-pricing breakfast and lunch program for each non-base year

- Maintain all base year records for a period of five years after the completion of the approved provision cycle
- Participate in “Operating a Provision 2/3 Non-Base Year” web-based training found at <https://cms.azed.gov/home/GetDocumentFile?id=591ca12b3217e120c012ff50>
- Submit a completed copy of the Provision 2/3 Web-based Training Worksheet found at <https://cms.azed.gov/home/GetDocumentFile?id=591c94163217e120c012fed8>
- Submit the Verification Summary Report no later than February 1<sup>st</sup> of each school year by using the [Verification cheat sheet](#) called “All Sites are operating in their Non-Base Years” or “Some sites operate Regular NSLP and others are operating in a Provision 2 or 3 Non Base Year and completing the Special Assistance Adjusted Eligible Calculator

During the approved non-base years, the approved sites are considered exempt from Certification and Verification and may **NOT** complete the following:

- Distribute and/or collect household applications for purposes of the NSLP/SBP

**\*Distribution of household applications (at approved sites) during a non- base year will result in forfeiture of Special Assistance status. If an LEA chooses to distribute and/or collect data using an alternate income form, any costs associated with the process (i.e. mailing, processing, certifying) cannot be charged to the food service account.**

## **Breakfast Only**

Once the base year is approved, the LEA will be able to operate under Provision 2 status for a period of three years. During these non-base years, the LEA is required to comply with the following:


- Operate a non-pricing breakfast program for each non-base year
- Participate in “Operating a Provision 2/3 Non-Base Year” web-based training found at <https://cms.azed.gov/home/GetDocumentFile?id=591ca12b3217e120c012ff50>
- Submit a completed copy of the Provision 2/3 Web-based Training Worksheet found at <https://cms.azed.gov/home/GetDocumentFile?id=591c94163217e120c012fed8> (only required to be submitted to ADE prior to the first non-base year)

Submit the Verification Summary Report no later than February 1<sup>st</sup> of each school year by using the [Verification cheat sheet](#) called “Some sites operate Regular NSLP and others are operating in a Provision 2 or 3 Non-Base Year”

## **Provision 2 Non-Base Year Claiming Requirements**

### **Breakfast and Lunch**

At the completion of the base year, the established monthly claiming percentages are used to calculate non-base year claims and reimbursements. The school will continue to use CNP Web to enter claims. However, only the total number of reimbursable meals served and serving days for the claim month will be entered in CNP Web by the LEA. The computer will auto calculate the number of reimbursable meals per category by multiplying the total meals served by the established claiming percentage from the corresponding month of the Provision 2 base year.



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## Claims

### NSLP Site Claim

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Enter the information into the form. For meal quantities that are unknown or none served, enter zero (0). Click **Save** to save your changes or click **Cancel** to disregard.

**Regular Claim**

<b>Breakfast - Severe Need</b>	
Number of Days Served:	22
Free Meals Served:	4360
Reduced-Price Meals Served:	778
Paid Meals Served:	1822
Total Meals Served:	6960
Participants Enrolled:	710
<b>Lunch - High Rate</b>	
Number of Days Served:	22
Free Meals Served:	9520
Reduced-Price Meals Served:	1465
Paid Meals Served:	2674
Total Meals Served:	13659
Participants Enrolled:	710
<b>At-Risk After-School Snack</b>	
Number of Days Served:	22
Free Meals Served:	2385
Participants Enrolled:	220
<b>Attendance Factor</b>	
Attendance Factor:	95 %

Provision 2 (Breakfast/Lunch) Claim Entry
 

- Number of Days Served
- Total Meals Served
- Participants Enrolled

 CNP Web Calculates
 

- Meals Served by Category

Done


During the non-base years, the total amount of meals served each month will be reimbursed according to the claiming percentage of the corresponding month of the base year. The established claiming percentages (April of base year) in the above situation were as follows:

Example: April <b>Breakfast</b> Claim in Base Year				
April Base Year Claiming Percentage	x	April Non-Base Year Total Meals Served	=	Adjusted Reimbursable Meals for Non-Base Year April Claim
62.64% Free	x	6960	=	4360
11.18% Reduced	x	6960	=	778
26.18% Paid	x	6960	=	1822

Example: April <b>Lunch</b> Claim in Base Year				
April Base Year Claiming Percentage	x	April Non-Base Year Total Meals Served	=	Adjusted Reimbursable Meals for Non-Base Year April Claim
69.70% Free	x	13659	=	9520
10.72% Reduced	x	13659	=	1465
19.57% Paid	x	13659	=	2674

### **Breakfast Only**

At the completion of the Provision 2 breakfast only base year site, the established monthly claiming percentages are used to calculate claims for breakfast only. The computer will auto calculate the number of reimbursable breakfast meals per eligibility category by multiplying the total meals served by the established claiming percentage of the corresponding month in the base year. The regular claiming process by eligibility category still occurs for lunch.



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## Claims

### NSLP Site Claim

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Enter the information into the form. For meal quantities that are unknown or none served, enter zero (0). Click **Save** to save your changes or click **Cancel** to disregard

#### Regular Claim

Breakfast - Severe Need		
Number of Days Served:	22	Provision 2 (Breakfast) Claim Entry <ul style="list-style-type: none"> <li>Number of Days Served</li> <li>Total Meals Served</li> <li>Participants Enrolled</li> </ul> CNP Web Calculates <ul style="list-style-type: none"> <li>Meals Served by Category</li> </ul>
Free Meals Served:	7214	
Reduced-Price Meals Served:	1287	
Paid Meals Served:	3013	
Total Meals Served:	11514	
Participants Enrolled:	618	
Lunch - High Rate		
Number of Days Served:	22	Regular Lunch Claim Entry <ul style="list-style-type: none"> <li>Number of Days Served</li> <li>Meals by Eligibility Category</li> <li>Participants Approved by Category</li> <li>Participants Enrolled</li> </ul>
Free Meals Served:	6805	
Reduced-Price Meals Served:	1354	
Paid Meals Served:	3055	
Total Meals Served:	11214	
Participants Approved for Free Meals:	355	
Participants Approved for Reduced-Price Meals:	69	
Participants Approved for Paid Meals:	194	
Participants Enrolled:	618	
At-Risk After-School Snack		
Number of Days Served:	22	
Free Meals Served:	2029	
Participants Enrolled:	170	
Attendance Factor		
Attendance Factor:	94 %	

Done

Claiming percentages for breakfast are calculated in the same manner as described in the previous example.

# Provision 3 Administrative Requirements-Operating a Non-Base Year

## Breakfast and Lunch

Once the base year is approved, the LEA will be able to operate under Provision 3 status for a period of four years. During these non-base years, the LEA is required to comply with the following:

- Operate a non-pricing breakfast and lunch program for each non-base year
- Maintain all base-year records for a period of five years after the completion of the approved provision cycle or most recent extension
- Participate in “Operating a Provision 2/3 Non-Base Year” web-based training found at <https://cms.azed.gov/home/GetDocumentFile?id=591ca12b3217e120c012ff50> (only required to be taken prior to the first non-base year of approved Provision 2/3 cycle)
- Submit a completed copy of the Provision 2/3 Web-based Training Worksheet found at <https://cms.azed.gov/home/GetDocumentFile?id=591c94163217e120c012fed8> (only required to be submitted to ADE prior to the first non-base year of the approved Provision 2/3 cycle)
- Submit the Verification Summary Report no later than February 1<sup>st</sup> of each school year by using the [Verification cheat sheet](#) called “All Sites are operating in their Non-Base Years” or “Some sites operate Regular NSLP and others are operating in a Provision 2 or 3 Non Base Year

During the approved non-base years, the approved sites are considered exempt from Certification and Verification and may **NOT** complete the following:

- Distribute and/or collect household applications for purposes of the NSLP/SBP


**\*Distribution of household applications (at approved sites) during a non- base year will result in forfeiture of Special Assistance status. If an LEA chooses to distribute and/or collect data using an alternate income form, any costs associated with the process (i.e. mailing, processing) cannot be charged to the food service account.**

### **Provision 3 Non-Base Year Claiming Requirements**

At the completion of the base year, the monthly amount of reimbursement will be used to calculate non-base year claims. The LEA will continue to use CNP Web to enter in claims. However, only the total number of meals served, the current enrollment as of the end of the month, and the number of serving days will be entered. The computer will auto-calculate the number of reimbursable meals per category based on the enrollment and serving days entered by the LEA. The calculated total meals are multiplied by the current federal reimbursement rates to determine the total amount of reimbursement.



## Sample Provision 3 Claim – May 2017


**Arizona Department of Education**  
**Child Nutrition Program**

[Applications](#)
[Claims](#)
[Reviews](#)
[CNP Overview](#)

### Claims

#### NSLP Site Claim

You are in [NSLP Home](#) > [Claims Index](#) > [NSLP Site Claim](#)

Enter the information into the form. For meal quantities that are unknown or none served, enter zero (0). Click **Save** to save your changes or click **Cancel** to disregard.

**NOTE** This claim has already been submitted. Editing any data and then saving this claim will cause its status to return to PENDING. Pending claim

#### Regular Claim

Special Milk	
Number of Days Served:	0
Paid Half-Pints Served:	0
Cost Of Milk Purchased:	0
Number Of Half-Pints Purchased:	0
Average Cost for Half-Pint of Milk:	0
Breakfast - Severe Need	
Number of Days Served:	14
Free Meals Served:	453
Reduced-Price Meals Served:	155
Paid Meals Served:	54
Total Meals Served:	662
Actual Total Meals Served:	655
Participants Enrolled:	328
Lunch - High Rate	
Number of Days Served:	14
Free Meals Served:	2093
Reduced-Price Meals Served:	832
Paid Meals Served:	825
Total Meals Served:	3750
Actual Total Meals Served:	3722
Participants Enrolled:	328
Attendance Factor	
Attendance Factor:	0.98

**Provision 3 Claim Entry**

- Number of Days Served
- Participants Enrolled
- Total Meals Served

During the non-base years, the percent change in enrollment, enrollment adjusted meals by category, and serving day adjustments are used to calculate the total reimbursement.

### Lunch Example

Percent Change Enrollment				
Current Enrollment for April Non-Base Year (Participants enrolled)	÷	April Base Year Enrollment (Participants enrolled)	=	Enrollment Change
328	÷	365	=	.8986

Enrollment Adjusted Meals				
April Base Year Meals	x	Enrollment Change	=	Enrollment Adjusted Meals for April Non-Base Year
3827 (Free)	x	.8986	=	3439
1521 (Reduced)	x	.8986	=	1367
1509 (Paid)	x	.8986	=	1356

Serving Day Adjusted Meals					
Enrollment Adjusted Meals for April Non-Base Year	÷	April Base Year Serving Days	x	Current Year April Serving Days	= Serving Day Adjusted Meals for April Non-Base Year
3439 (Free)	÷	23	x	14	= 2093
1367 (Reduced)	÷	23	x	14	= 832
1356 (Paid)	÷	23	x	14	= 825

The serving day adjusted meals are multiplied by the current year federal reimbursement rates to determine the total reimbursement. The same calculations are completed for breakfast and lunch.

**Breakfast Only**

At the completion of the base year, enrollment and serving day adjusted meals are used to calculate claims for breakfast only. The serving day adjusted meals are multiplied by the current year federal reimbursement rates to determine the total reimbursement. The regular claiming process by eligibility category still occurs for lunch.

**Administrative Review**

During non-base years, ADE will conduct regularly scheduled Administrative Reviews (AR). The AR will include an audit of base year records.

## Extensions

An extension allows the LEA to continue Provision 2 or 3 for an additional four-year cycle. Thus, the school can serve meals at no cost for another four years without having to complete a new base year. LEAs must notify ADE by submitting an Application for Extension by May 1<sup>st</sup> of the 2<sup>nd</sup> non-base year for Provision 2 and the 3<sup>rd</sup> non-base year for Provision 3. The Special Assistance Extension application packet can be found at:

<https://cms.azed.gov/home/GetDocumentFile?id=593b1c1b3217e10e9ce5e3f8>

ADE will provide guidance on approved data that may be submitted based on information from the extension application.

Socio-economic data to support the extension request is due by March 1<sup>st</sup> of the last non-base year. All socio-economic data must meet the following criteria:

- Be reflective of the school's population
- Be equivalent data for both the base year and the last year of the cycle
- Effectively measure whether the income level of the school's population (adjusted for inflation) has remained stable, declined or had only negligible improvement

If the above criteria are met, pre-approved socio-economic data sources include:

- Direct Certification results from the participating school/district
- Local Unemployment data

To obtain an extension, the school must provide approved socio-economic data no later than March 1<sup>st</sup> of the last non-base year. The approved socio-economic data will be validated for accuracy and evaluated by ADE to ensure that the data does not exceed a five percent change threshold level. LEAs are encouraged to submit approved data as early as possible during the last non-base year so that it may be evaluated. ADE will notify LEAs of their extension status no later than May 15<sup>th</sup>.

## End of Cycle

All LEAs should refer to their initial Special Assistance Certification Memo to determine when their approved cycle will end. As a courtesy, ADE will notify LEAs by memorandum that their approved cycle has ended. The following options are available to LEAs at the end of the cycle:

- Re-apply for the Special Assistance program by submitting a Special Assistance Application
- Apply for a Special Assistance Provision 2 or Provision 3 extension
- Apply to the Community Eligibility Provision
- Revert to standard meal counting and claiming procedures

## Resources

The following pages include resources for the Special Assistance Provision 2 and Provision 3 programs. Printable copies and downloadable spreadsheets can be found on the Special Assistance website located at: <http://www.azed.gov/hns/nslp/provisions/>

- [Special Assistance Application](#) (for Provision 2 and Provision 3)
- [Free and Reduced-Price Policy Statement](#)
- [Provision 2 Addendum](#)
- [Provision 3 Addendum](#)
- [Web-based training: Applying for a Provision 2/3 Base Year](#)
  - [Provision 2/3 Base Year assessment](#)
- [Web-based training: Operating a Non-Base Year for Provision 2/3](#)
  - [Provision 2/3 Non-Base Year assessment](#)
- [Special Assistance Extension Application](#) (for Provision 2 and Provision 3)
- [Simplified Daily Edit Check Worksheet](#) for use during Provision 2 and Provision 3 non-base years
- [Financial Analysis Tool](#) to determine fiscal feasibility as compared to current operations
- [Provision 2 claiming percentage calculator](#)
- [Provision 3 meal claim calculator](#)
- [Making sense of Special Assistance Claiming](#)
- [Guidance Memo on Title 1, NCLB and Provision 2/3 in non-base years](#)
- [Guidance on E-Rate and Provision 2/3 in non-base years](#)
- [Tips for increasing participation in the NSLP](#)

## Provision 2 Schedule and Procedure Summary

### Provision 2 Schedule and Procedures

#### **Applying**

1. Review the Special Assistance Guidance manual
2. Submit Special Assistance application no later than June 1st of school year prior to base year
3. Submit an updated Free and Reduced Price Policy Statement and accompanying Provision 2 addendum
4. Participate in “Applying for a Provision 2/3 Base Year web based training” found at  
<https://cms.azed.gov/home/GetDocumentFile?id=591c805c3217e120c012fd9>
5. Submit a completed copy of the Base Year Provision 2 and 3 Web-based Training Worksheet found at  
<https://cms.azed.gov/home/GetDocumentFile?id=591c67cf3217e120c012fd7a>

#### **Base Year**

1. Distribute household applications to all families
2. Send Non-Pricing letter to parents indicating ALL students may receive meals at NO cost
3. Notify public via a media release that meals to ALL students will be provided at NO cost
4. Conduct Direct Certification on all enrolled students, certify applications, ensure benefit issuance document is complete, updated and accurate, conduct verification
5. Accurately count/claim the total number of reimbursable meals served at the point of service by eligibility category
6. Submit claims for each operational month during base year
7. Indicate Base Year for Special Assistance Provision 2 on CNP Web online applications

#### **Non-Base Years 1 & 2**

1. Notify households that meals will be provided to ALL students at no cost
2. Count total number of reimbursable meals served at the point of service, while ensuring second meals are not counted
3. If requesting an extension, submit an application for extension no later than May 1st of the 2nd non-base year

4. Participate in “Operating a Provision 2/3 Non-Base Year” web-based training found at  
<https://cms.azed.gov/home/GetDocumentFile?id=591ca12b3217e120c012ff50>  
(only required to be taken prior to the first non-base year of approval Provision 2/3 cycle)
5. Submit a completed copy of the Provision 2/3 Web-based Training Worksheet found at  
<https://cms.azed.gov/home/GetDocumentFile?id=591c94163217e120c012fed8>  
(only required to be submitted to ADE prior to the first non-base year of the approved Provision 2/3 cycle)

**Non-Base  
Year 3  
(End of  
Cycle)**

1. If LEA will continue to operate under Special Assistance Provision 2, they must submit a Special Assistance Application to begin a new Base Year no later than June 1st
  2. If LEA has applied for an extension of Special Assistance provide the Arizona Department of Education with specified socio-economic data no later than March 1<sup>st</sup>
- OR
3. If LEA will no longer be operating under Provision 2 and will resort back to standard operation
    - a. Send notification letter to parents (at the end of the school year)



## Provision 3 Schedule and Procedure Summary

### Base year

1. Distribute household applications to all families
2. Send Non-Pricing letter to parents indicating ALL students may receive meals at NO cost (if applicable)
3. Notify public via a media release that meals to ALL students will be provided at NO cost (if applicable)
4. Conduct Direct Certification on all enrolled students, certify applications, ensure benefit issuance document is complete, updated and accurate, conduct verification
5. Accurately count/claim the total number of reimbursable meals served at the point of service by eligibility category
6. Submit claims for each operational month during base year
7. Indicate Base Year for Special Assistance Provision 3 on CNP Web online applications

### Non-Base Years 1-3

1. Notify parents that meals will be provided to ALL students at NO cost
2. Count total number of reimbursable meals served at the point of service
3. Complete Daily Edit Check Worksheet and monthly claims
4. If requesting an extension, submit an application no later than May 1<sup>st</sup> of the third non-base year
5. Review Special Assistance training annually

### Non-Base Year 4 (End of Cycle)

1. View Special Assistance training
2. If an extension application was submitted, the socioeconomic data is due no later than March 1<sup>st</sup>
3. If an extension application was not submitted, a new application for a base year should be submitted by June 1<sup>st</sup> or preparations should be made to return to regular NSLP operations

Arizona Department of Education  
School Nutrition Program  
Special Assistance Application

DUE: by June 1 of the year prior to operating as Provision 2/3 base year

Please review the Special Assistance Guidance Manual available on the ADE Special Assistance Webpage: <http://www.azed.gov/hns/nslp/provisions>  
After reviewing the manual, if you would like to apply for the Special Assistance Program, please complete this application. Once completed, submit the application to the Special Assistance coordinator at the Arizona Department of Education, School Nutrition Programs for review via email at [ADESchoolNutrition@azed.gov](mailto:ADESchoolNutrition@azed.gov) or fax to 602-542-1531. **Please note that this application is not approved until you receive an official letter of approval from this department.**

Sponsor Name:	CTD#
Contact/Title:	Phone #:

1. Indicate the Special Assistance Provision that will be operated: \_\_\_\_\_

2. Indicate the number of sites that will be participating in the Special Assistance Program: \_\_\_\_\_

Please attach on School District Letterhead a list of all sites. Please indicate the fields listed below.

NAME OF SCHOOL	BASE YEAR	BREAKFAST (B), LUNCH (L), OR BOTH (BL)

3. During the base year each sponsor must demonstrate compliance with all certification, counting/claiming, and verification procedures during an administrative review. Is this requirement understood? Y\_\_\_\_ N\_\_\_\_

4. A sponsor may not supplement its meal service operation with any federal funds other than United States Department of Agriculture reimbursement, Bureau of Indian Affairs funds and any other source earmarked for meal service. Is this  
requirement understood? Y\_\_\_\_ N\_\_\_\_

5. A qualified representative is required to complete the [Online Course: Applying for Special Assistance Provision 2/3 Base Year](#) and answer the [Base Year Provision 2/3 Web-based Training Worksheet](#) testing for comprehension. The training worksheet must be submitted as part of the Base Year application process. Is this requirement understood? Y\_\_\_\_ N\_\_\_\_

6. Have you read and understood the requirements of Special Assistance ([see Special Assistance guidance manual](#))? Y\_\_\_\_ N\_\_\_\_

**I CERTIFY that the information in this application is true, and that I agree to carry out the terms of the agreement to operate the Special Assistance Program. I understand that this information is given in connection with the receipt of federal funds and that deliberate misinterpretation may be subject to prosecution under applicable federal statutes.**

Print name (authorized signatory): \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
FOR OFFICE USE ONLY

Date of Last Review: \_\_\_\_\_

Passed: Y\_\_\_\_N\_\_\_\_

Approved: Y\_\_\_\_ N\_\_\_\_ Original Base Year: \_\_\_\_\_

Provision: \_\_\_\_\_

Approved By: \_\_\_\_\_

Date: \_\_\_\_\_

Additional Information/Comments:

\_\_\_\_\_  
\_\_\_\_\_



# ARIZONA DEPARTMENT OF EDUCATION

Health and Nutrition Services  
1535 West Jefferson Street  
Phoenix, Arizona 85007

## Free and Reduced-Price Policy Statement

Revised Summer 2015

### **Introduction**

In accordance with 7 CFR 245.10, each Local Educational Agency (LEA) participating in the National School Lunch Program (NSLP), School Breakfast Program (SBP), and/or the Special Milk Program (SMP) with the free milk option must have an approved free and reduced-price policy statement on file with the Arizona Department of Education (ADE) that accurately describes its current free and reduced-price policies. LEAs just beginning participation in the NSLP, SBP, or SMP must submit their policy statement to ADE for review as part of the new LEA application process. The policy statement becomes a permanent document, but must be amended when the LEA makes a substantive change to its free and reduced-price policy. Amendments must be submitted for review by ADE by October 15 each year.

### **Policy Statement**

LEA Name:

This statement applies to the programs in which the LEA will be participating as indicated on the application and agreement.

In fulfilling its responsibilities to implement a policy that conforms to United States Department of Agriculture (USDA) regulations regarding determination of children's eligibility for free and reduced-price benefits, LEA Name wishes to state the following:

- A. LEA Name's CNP Web LEA Application will be updated each school year to reflect the following:
  - a. The household application, application letter, and notification letters provided to households applying for benefits will be those provided by ADE;
  - b. And/or a customized household application, application letter, and notification letters have been developed and will be provided to households applying for benefits. Customized applications and letters must be reviewed and approved by ADE prior to use.
- B. Name and/or Title is the LEA official that has been designated to make eligibility determinations.
- C. The following direct certification procedures have been implemented:

- a. (describe direct certification procedures here)
- D. The following procedures for accepting applications for benefits have been implemented:
  - a. (describe procedures for accepting applications here)
- E. Eligibility will be determined in accordance with the current Income Eligibility Guidelines (IEGs).
- F. A foster child will be categorically eligible for free meals. A foster child may be included as a member of the foster family if the foster family chooses to also apply for benefits for other children, as including children in foster care as household members can help other children in the household qualify for free or reduced-price meals. If the foster family is not eligible for free or reduced-price meal benefits, this does not prevent a foster child from receiving free meal benefits.
- G. Households with children who are categorically eligible under Other Source Categorically Eligible Programs will be instructed to contact the school for assistance in receiving benefits and to mark the relevant box on the application to indicate their status.
- H. ADE and LEA Name will ensure there are no barriers for participation in the NSLP, SBP, and/or SMP for Limited English Proficient (LEP) families and will communicate with parents and guardians in a language they can understand throughout the certification and verification processes.
- I. LEA Name will abide by the hearing procedures set forth in 7 CFR 245.7 and nondiscrimination practices set forth in 7 CFR 245.8.
- J. LEA Name will verify approved free and reduced-price applications by November 15 each year as specified by 7 CFR 245.6(a) using the following procedures:
  - a. (type verification procedures here)
- K. LEA Name will maintain a description of the verification activities as required by 7 CFR 245.6(a)(3)(c).
- L. LEA Name will submit to ADE a summary report of verification activities performed as required by 7 CFR 245.6(a)(h) by February 1 each year.
- M. The following measures have been taken to prevent disclosure of confidential free and reduced-price eligibility information, as is required by 7 CFR 245.6(f-k):
  - a. (type measures taken here)
- N. LEA Name has implemented the following policies per site regarding meal charges:
  - a. (describe policies regarding meal charges, including specific number of meals that may be charged)

- O. When more than one lunch, breakfast, or type of milk is offered which meets the requirements of 7 CFR parts 210.10, 220.8 or 215.2, children eligible for free or reduced-price benefits will have the same choice of meals and/or milk that is available to those children who pay the full price for their meals and/or milk. To prevent overt discrimination of children receiving free or reduced-price meals, the following methods of collecting payment from children paying the full- or reduced-price of the meal will/will NOT be implemented:
- a. (type description of payment methods here)
- P. When selling competitive foods during a meal service, the following practices will be implemented to prevent overt identification of the children receiving free or reduced-price meals:
- a. (type practices implemented here)
- Q. LEA Name will notify the public through a public/media release which will be provided to applicable local media, unemployment offices, and major employers contemplating large layoffs in the attendance area of its schools. The release will include the name(s) of the school(s) approved to operate the NSLP, SBP, and/or SMP in CNP Web, Income Eligibility Guidelines (IEGs) for free and reduced-price meals, and other information required to be contained in the letter to households. A copy of the public/media release which will be used is attached to this statement.

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(Print or Type Name and Title)

---

(Authorized Signature)

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(LEA)

---

(Date)



## ARIZONA DEPARTMENT OF EDUCATION

Health and Nutrition Services  
1535 West Jefferson Street  
Phoenix, Arizona 85007

### Free and Reduced-Price Policy Statement- Addendum: Special Provision Option 2

Revised Summer 2015

#### **Introduction**

This addendum is in addition to/in lieu of where applicable to the Free and Reduced-Price Policy Statement as some or all sites operating the NSLP and/or SBP will be participating in Special Provision Option 2 (Provision 2). It must be provided to ADE when schools begin participation in Provision 2.

#### **Policy Statement**

LEA Name:

This statement applies to the following schools operating Provision 2 and the meal services indicated:

School(s): (check all that apply) NSLP ☐ SBP ☐

LEA Name wishes to state the following:

- A. LEA Name acknowledges that this addendum becomes effective when CNPWeb Site and LEA Applications have been updated to reflect Provision 2 participation AND a Provision 2 application containing the following has been submitted by LEA Name and approved by ADE:
  - a. A list of all schools participating in Provision 2,
  - b. The initial school year of implementation for Provision 2,
  - c. The school years the cycle is expected to remain in effect,
  - d. The school year that Provision 2 must be reconsidered,
  - e. The available and approved data that will be used in reconsideration, as applicable.
- B. LEA Name will publicly notify and certify students for free and reduced-price benefits for up to four consecutive school years, provided that eligibility determinations are in accordance with 7CFR 245.3 during the first school year.
- C. Except for assistance properly made available under 7 CFR 210, 220, 240, and 250, the Indian Child Welfare Act 95-608, and by other legislation, LEA Name will pay with funds from non-Federal sources the cost of serving meals to all children at no charge for all schools listed above, which includes:
  - a. The cost of meals served to children not eligible for free or reduced-price meals; and

- b. The differential between the per-meal cost and Federal reimbursement received for each free or reduced-price meal, respectively, served to children eligible to receive such meals under applicable program regulations.
- D. In the first year (“Base Year”), schools listed above will take daily counts of the number of meals served by meal type and eligibility (free, reduced-price, and paid) and LEA Name will submit monthly claims for reimbursement to ADE. In the second, third, and fourth years (“Non-Base Years”), those schools will record the total number of meals served to children by meal type (breakfast or lunch) and LEA Name will submit a monthly claim for reimbursement to ADE.
- E. Eligibility determinations from the Base Year will be retained for the entire period that the schools listed above operate Provision 2 (Base Year plus all Non-Base Years and extensions) plus 5 years, or longer if there are audit findings and until resolution of the findings.
- F. LEA Name will not collect Applications for Free and Reduced-Price School Meals used for meal benefit determination from households in schools listed above during Non-Base Years and extensions.
- G. LEA Name acknowledges that extensions will be granted by ADE based on pre-approved socioeconomic data, which includes:
  - a. Direct Certification results from the participating schools,
  - b. Local unemployment data,
  - c. Local Supplemental Nutrition Assistance Program (SNAP) data,
  - d. Food Distribution Program on Indian Reservations (FDPIR) data, and/or
  - e. Temporary Assistance for Needy Families (TANF) data.



## ARIZONA DEPARTMENT OF EDUCATION

Health and Nutrition Services  
1535 West Jefferson Street  
Phoenix, Arizona 85007

### Free and Reduced-Price Policy Statement- Addendum: Special Provision Option 3

Revised Summer 2015

#### Introduction

This addendum is in addition to/in lieu of where applicable to the Free and Reduced-Price Policy Statement as some or all sites operating the NSLP and/or SBP will be participating in Special Provision Option 3 (Provision 3). It must be provided to ADE when schools begin participation in Provision 3.

#### Policy Statement

LEA Name:

This statement applies to the following schools operating Provision 3 and the meal services indicated:

School(s): (check all that apply) NSLP ☐ SBP ☐

LEA Name wishes to state the following:

- A. LEA Name acknowledges that this addendum becomes effective when CNPWeb Site and LEA Applications have been updated to reflect Provision 3 participation AND a Provision 3 application containing the following has been submitted by LEA Name and approved by ADE:
  - a. A list of all schools participating in Provision 3,
  - b. The initial school year of implementation for Provision 3,
  - c. The school years the cycle is expected to remain in effect,
  - d. The school year that Provision 3 must be reconsidered,
  - e. The available and approved data that will be used in reconsideration, as applicable.
- B. LEA Name will publicly notify and certify students for free and reduced-price benefits for up to four consecutive school years, provided that eligibility determinations are in accordance with 7CFR 245.3 during the first school year.
- C. Except for assistance properly made available under 7 CFR 210, 220, 240, and 250, the Indian Child Welfare Act 95-608, and by other legislation, LEA Name will pay with funds from non-Federal sources the cost of serving meals to all children at no charge for all schools listed above, which includes:



- a. The cost of meals served to children not eligible for free or reduced-price meals; and
  - b. The differential between the per-meal cost and Federal reimbursement received for each free or reduced-price meal, respectively, served to children eligible to receive such meals under applicable program regulations.
- D. In the first year ("Base Year"), schools listed above will take daily counts of the number of meals served by meal type and eligibility (free, reduced-price, and paid) and LEA Name will submit monthly claims for reimbursement to ADE. In the second, third, fourth, and fifth years ("Non-Base Years"), those schools will record the total number of meals served to children by meal type (breakfast and lunch) and LEA Name will submit a monthly claim for reimbursement to ADE. LEA Name acknowledges that reimbursement in the Non-Base Years will be determined by ADE by taking the prior year's reimbursement and adjusting for changes in enrollment and inflation.
- E. Eligibility determinations from the Base Year will be retained for the entire period that the schools listed above operate Provision 3 (Base Year plus all Non-Base Years and extensions) plus 5 years, or longer if there are audit findings and until resolution of the findings.
- F. LEA Name will not collect Applications for Free and Reduced-Price School Meals used for meal benefit determination from households in schools listed above during Non-Base Years and extensions.
- G. LEA Name acknowledges that extensions will be granted by ADE based on pre-approved socioeconomic data, which includes:
  - a. Direct Certification results from the participating schools,
  - b. Local unemployment data,
  - c. Local Supplemental Nutrition Assistance Program (SNAP) data,
  - d. Food Distribution Program on Indian Reservations (FDPIR) data, and/or
  - e. Temporary Assistance for Needy Families (TANF) data.

Arizona Department of Education Request for  
an Extension on Special Assistance

DUE: May 1<sup>st</sup> of the second to last non-base year

Please review the Special Assistance Guidance Manual. After reviewing the manual, if you would like to apply for an extension on Special Assistance Program, please complete this application. Once completed, submit the application to the Arizona Department of Education, Child Nutrition Programs for review, no later than May 1<sup>st</sup> of the second to last non-base year.

**Please note that this application is not approved until you receive an official letter of approval from this department.**

LEA Name:	CTD#
Contact/Title:	Phone #:

1. Indicate the Special Assistance Provision (2 or 3) that is currently being operated: \_\_\_\_\_
2. Indicate the number of special assistance sites that are being operated: \_\_\_\_\_

Please attach on School District Letterhead a list of all sites. Please indicate the fields listed below.

NAME OF SCHOOL	BASE YEAR	BREAKFAST (B), LUNCH (L), OR BOTH (BL)

3. Please indicate the approved socioeconomic data that will be submitted to the Arizona Department of Education. Data submitted must be from the base year and the last non-base year. All data must be submitted by **March 1st** of the last non-base year.

Socioeconomic Data Source (select one)	BASE YEAR	LAST NON-BASE YEAR
Unemployment Data <input type="checkbox"/> <u>or</u> Direct Certification percentages <input type="checkbox"/>		

I CERTIFY that the information in this application is true, and that I agree to carry out the terms of the agreement to operate the Special Assistance Program. I understand that this information is given about the receipt of federal funds and that deliberate misinterpretation may be subject to prosecution under applicable federal statutes. I ensure that the socioeconomic data indicated above will be submitted to ADE no later than March 1<sup>st</sup> of the last non-base year of the cycle.

Print name (authorized signatory) \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
FOR OFFICE USE ONLY

Date of Last Review: \_\_\_\_\_

Passed: Y \_\_\_ N \_\_\_

Approved: Y \_\_\_ N \_\_\_

Original Base Year: \_\_\_\_\_

Provision: \_\_\_\_\_

Approved By: \_\_\_\_\_

Date: \_\_\_\_\_

Additional  
Information/Comments: \_\_\_\_\_  
\_\_\_\_\_

Years Extended: Next Base Year: \_\_\_\_\_

Arizona Department of Education  
Extension Calculation Worksheet  
DUE: March 1<sup>st</sup> of the last non-base year

LEA Name:	CTD#
Contact/Title:	Phone #:

Please indicate the approved socioeconomic data that you are submitting to the Arizona Department of Education. Data submitted must be from the base year and the last non-base year. All data must be submitted by **March 1<sup>st</sup>** of the last non-base year. Please ensure that the selection below matches what was indicated on your extension application from last year.

Socioeconomic Data Source (select one)	BASE YEAR	LAST NON-BASE YEAR
Unemployment Data <input type="checkbox"/> <u>or</u> Direct Certification percentages <input type="checkbox"/>		

Calculation for Socioeconomic Data Using Unemployment Data		
Step	Formula	LEA's answer
Step 1: Calculate the difference in unemployment from the base year and the last non-base year.	<i>Unemployment rate from the non base year – unemployment from base year</i>	
Step 2: Calculate the percent change in unemployment from the base year to the last non-base year.	$\frac{(\text{Non base year \%} - \text{base year \%})}{\text{Base year \%}} \times 100$	
*Has the income level <b>improved</b> by 5% or more? (Yes or No) (Improved= Less unemployment)		
*Example: If the unemployment rate in the base year is 78% and in the last non-base year is 70%, the percent change would be improved by 10.25%, which would be the answer to the question above 'yes'. In this example, the site would not be eligible for an extension based on Unemployment Data.		

Calculation for Socioeconomic Data Using Direct Certification Percentages		
Step	Formula	LEA's answer
Step 1: Calculate percentage of students with access to free meals through Direct Certification from the <b>base year</b> .	$\frac{\text{Number of students directly certified}}{\text{Total Enrollment}}$	
Step 2: Calculate percentage of students with access to free meals through Direct Certification from the <b>last non-base year</b> .	$\frac{\text{Number of students directly certified}}{\text{Total Enrollment}}$	
Step 3: Calculate the percent change.	$\frac{(\text{Non base year \%} - \text{base year \%})}{\text{Base year \%}} \times 100$	
*Has the income level <b>improved</b> by 5% or more? (Yes or No) (Improved= less children matching in Direct Certification)		
*Example: If the percentage of students directly certified in the base year is 71.4% and in the last non-base year is 68%, the percent change would have improved by 4.76%, which would make the answer to the question above 'no'. In this example, the site would be eligible for an extension based on the Direct Certification percentages.		

Arizona Department of Education  
Daily Edit Check for use during Provision 2/3 Base Years

DAILY EDIT CHECK WORKSHEET													
School: _____		Enrollment (Membership): _____				Attendance Factor (AF): _____				<input type="checkbox"/> National School Lunch <input type="checkbox"/> School Breakfast month: _____			
Day of Month:	A Free Eligible	B AF	C Free Eligible X AF:	D Free Meals Served:	A Reduced Eligible	B AF	C Reduced Eligible X AF:	D Reduced Meals Served:	A Paid Eligible:	B AF	C Paid Eligible X AF:	D Paid Meals Served:	TOTAL COUNTS:
1													
2													
3													
4													
5													
6													
7													
8													
9													
10													
11													
12													
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Meals Served should not exceed Eligible X Attendance Factor (AF). (Column D should not exceed column C).  
Monthly Totals

Arizona Department of Education  
Simplified Daily Edit Check Worksheet for use during Provision 2/3 Non-Base Years

Daily Edit Check for Non-Base Year in Provision 2/3 for SBP and NSLP												
School: _____		Enrollment: _____				<input checked="" type="checkbox"/> National School Lunch Program <input checked="" type="checkbox"/> School Breakfast Program						
Month: _____		Attendance Factor: _____										
BREAKFAST					LUNCH							
Day of Month:	A Total Enrollment	B AF	C Total Enrollment X AF:	D Total Meals Served:	TOTAL COUNTS:	Day of Month:	A Total Enrollment	B AF	C Total Enrollment X AF:	D Total Meals Served:	TOTAL COUNTS:	
1		0.00%	0		0	1		0.00%	0		0	
2		0.00%	0		0	2		0.00%	0		0	
3		0.00%	0		0	3		0.00%	0		0	
4		0.00%	0		0	4		0.00%	0		0	
5		0.00%	0		0	5		0.00%	0		0	
6		0.00%	0		0	6		0.00%	0		0	
7		0.00%	0		0	7		0.00%	0		0	
8		0.00%	0		0	8		0.00%	0		0	
9		0.00%	0		0	9		0.00%	0		0	
10		0.00%	0		0	10		0.00%	0		0	
11		0.00%	0		0	11		0.00%	0		0	
12		0.00%	0		0	12		0.00%	0		0	
13		0.00%	0		0	13		0.00%	0		0	
14		0.00%	0		0	14		0.00%	0		0	
15		0.00%	0		0	15		0.00%	0		0	
16		0.00%	0		0	16		0.00%	0		0	
17		0.00%	0		0	17		0.00%	0		0	
18		0.00%	0		0	18		0.00%	0		0	
19		0.00%	0		0	19		0.00%	0		0	
20		0.00%	0		0	20		0.00%	0		0	
21		0.00%	0		0	21		0.00%	0		0	
22		0.00%	0		0	22		0.00%	0		0	
23		0.00%	0		0	23		0.00%	0		0	
24		0.00%	0		0	24		0.00%	0		0	
25		0.00%	0		0	25		0.00%	0		0	
26		0.00%	0		0	26		0.00%	0		0	
27		0.00%	0		0	27		0.00%	0		0	
28		0.00%	0		0	28		0.00%	0		0	
29		0.00%	0		0	29		0.00%	0		0	
30		0.00%	0		0	30		0.00%	0		0	
31		0.00%	0		0	31		0.00%	0		0	
Totals:				0		Totals:				0		

Provision 2 Base Year Claiming Percentage Calculator

Month/Year:

School:

Breakfast	
	= <div>0</div>
Free Meals Served	= <div>0</div>
Reduced-Price Meals Served	= <div>0</div>
Paid Meals Served	= <div>0</div>
Total Meals Served	= 0.0000%
Free Claiming Percentage	= 0.0000%
Reduced Claiming Percentage	= 0.0000%
Paid Claiming Percentage	

Lunch	
Free Meals Served	= <div></div>
Reduced-Price Meals Served	= <div></div>
Paid Meals Served	= <div></div>
Total Meals Served	= <div></div>
Free Claiming Percentage	= 0.0000%
Reduced Claiming Percentage	= 0.0000%
Paid Claiming Percentage	= 0.0000%

### Provision 3 Lunch Meal Calculations

School:

Month:

Year:

#### Base Year Meals

Free =	<input type="text" value="0"/>
Reduced-Price =	<input type="text" value="0"/>
Paid =	<input type="text" value="0"/>

#### Enrollment and Serving Days

Base Year Enrollment =	<input type="text" value="0"/>
Base Year Serving Days =	<input type="text" value="0"/>
Current Year Enrollment =	<input type="text" value="0"/>
Current Year Serving Days =	<input type="text" value="0"/>

#### Calculations

$$\text{Percent Change Enrollment} = \frac{\text{Current Year Enrollment}}{\text{Base Year Enrollment}} = \frac{0}{0} = 0.0000$$

$$\text{Enrollment Adjusted Free Meals} = \frac{\text{Base Year Free Meals}}{\text{Percent Change Enrollment}} = 0 \times 0.0000 = 0.0000$$

$$\text{Enrollment Adjusted Reduced-Price Meals} = \frac{\text{Base Year Reduced-Price}}{\text{Percent Change Enrollment}} = 0 \times 0.0000 = 0.0000$$

$$\text{Enrollment Adjusted Paid Meals} = \frac{\text{Base Year Free Meals}}{\text{Percent Change Enrollment}} = 0 \times 0.0000 = 0.0000$$

$$\text{Serving Day Adjusted Free Meals} = \frac{\text{Enrollment Adjusted Free}}{\text{Base Year Serving Days}} \times \text{Current Year Serving Days} = \frac{0.0000}{0} \times 0 = 0$$

$$\text{Serving Day Adjusted Reduced-Price Meals} = \frac{\text{Enrollment Adjusted Reduced-Price}}{\text{Base Year Serving Days}} \times \text{Current Year Serving Days} = \frac{0.0000}{0} \times 0 = 0$$

$$\text{Serving Day Adjusted Paid Meals} = \frac{\text{Enrollment Adjusted Paid}}{\text{Base Year Serving Days}} \times \text{Current Year Serving Days} = \frac{0.0000}{0} \times 0 = 0$$

$$\text{Total Meals} = 0$$

### **Glossary of Terms**

ADE	Arizona Department of Education
Administrative Review	Review conducted by Child Nutrition Programs staff to assess the adequacy of the eligibility certification process, accuracy of the meal counting and claiming system, and completion of the verification in the base year.
Annual Claiming Percentages (Provision 2 only)	A school may add meal counts by category for the entire base year and convert to claiming percentages for free, reduced-price, and paid meals. The school then uses the annual claiming percentage for each category for each month of the non-base year.
Base Year	The year that applications for free or reduced-price meal benefits were distributed, eligibility determinations were made, and verification was conducted. This is considered the first year of operation for provisions.
Benefit Issuance Document	Link between the eligibility determination and how a meal is claimed for reimbursement. Must be completed during a base year.
Child Nutrition Programs	Includes the National School Lunch, School Breakfast, Special Milk Programs, After School Care Snack Program, and Summer Food Programs.
Daily Edit Checks	Ensures the number of eligible children does not exceed the meal count for the day.
Delayed Implementation (Provision 2 only)	Enables schools to charge students in reduced price and paid meal categories in the base year for first claiming period only.
Direct Certification	Process of establishing children's eligibility for benefits by obtaining documentation directly from the Department of Economic Security (DES). Households determined eligible for meal or milk benefits through direct certifications are not required to submit a free and reduced-price application to the school; instead they provide the DES notification, titled Free Meals Programs.

FDPIR (Food Distribution Program on Indian Reservations)	Enables families on certain Indian Reservations who meet Supplemental Nutrition Assistance (SNAP) income guidelines to receive commodity foods.
Free Meal	Meals served under the National School Lunch Program or School Breakfast Program to a child from a household eligible for such benefits. Neither the child nor any household member can be required to work in the school or in the school's food service to supplement the cost of the meal.
NSLP (National School Lunch Program)	Program under which participating schools operating a nonprofit food service operation receive cash assistance and donated food assistance.
Non-Pricing Program	All enrolled students receive meals at no charge despite their eligibility status. Meals are claimed for reimbursement by the students' eligibility status.
Point of Service Meal Counts	Meals are counted at that point in the food service operation where it can be accurately determined that a reimbursable free, reduced-price or paid meal has been served to an eligible student.
Pricing Program	Charging children eligible for reduced-price and paid meals. Only an option for Provision 3 in a non-extended base year.
Reduced-Price Meal	A meal served under the National School Lunch or School Breakfast Program to a child from a household eligible for such benefits. The price of this meal MUST be less than the full price of the meal and no more than 40 cents for lunch and 30 cents for breakfast. Neither the child nor any household member can be required to work in the school or in the school's food service to supplement the cost of the meal.



SBP (School Breakfast Program)	Federally assisted meal program operating in schools and institutions. It provides nutritionally balanced, low-cost, or free breakfasts to children each school day.
SFA (School Food Authority)	Governing body responsible for the administration of one or more schools and either has the legal authority to operate School Nutrition Programs in these schools or is otherwise approved by the Food and Nutrition Service to operate School Nutrition Programs.
USDA (United States Department of Agriculture)	Federal agency designated by Congress to administer the National School Lunch, School Breakfast, Special Milk Programs, After School Care Snack, and Summer Food Programs.
Verification	Confirmation of eligibility for free and reduced price meals under the National School Lunch or School Breakfast Program. Verification must include confirmation of income eligibility or confirmation that the child is included in a currently certified Supplemental Nutrition Assistance (SNAP)/FDPIR/TANF household or CA unit. At State or local discretion, verification may also include confirmation of any other information on the application, which is required as a condition of eligibility.

# Case Study

## Inner City District

Number of Schools	20 Schools (16 = K-8, 2 = K-4, 2 = 6-8)
Total Enrollment	~ 11,000
Free and Reduced Percentage Range	72% - 97%

## Background

This district is located in downtown Phoenix. The free and reduced percentage ranges between 72% and 97% between the 20 schools. Participation is high at approximately 85% for lunch and moderately high at approximately 40% for breakfast. Enrollment has dropped some with new charter schools opening in the attendance area.

## Assessment

Special Assistance would be a good fit for the sites in this district because of the very high free and reduced percentages and high participation.

## Decision

The district chose to implement Provision 2. Most schools on Special Assistance have enough turn over for the percentage claiming style of Provision 2 to be beneficial. This school will realize savings by lowering labor costs associated with certification, verification, and counting/claiming duties.

# Case Study

## Reservation District

Number of Schools	1 School (K-8)
Total Enrollment	~ 180
Free and Reduced Percentage Range	96%

## Background

This small school (also the district) is located on the Navajo Indian reservation in Northern Arizona. The school is isolated and has a very high free and reduced percentage. The school lunch and breakfast program is non-pricing.

## Assessment

Because the school is non-pricing and enrollment is very steady, they are an ideal candidate for Special Assistance, particularly Provision 3. There should not be a revenue loss because students will not have any co-pays for lunch or breakfast. This school passed their latest Administrative Review (AR) and all proper administrative systems are in place.

## Decision

The district chose to implement Provision 3 due to the static enrollment and to realize savings in decreased labor costs associated with certification, verification, and counting/claiming duties.

# Case Study

## Small Rural District

Number of Schools	3 Schools(1 = K-5, 1= 6-8, 1= 9-12)
Total Enrollment	~ 820
Free and Reduced Percentage Range	68% district wide (75% elementary)

## Background

This small district is located in rural Arizona. The primary industry for the community is agriculture and enrollment has been steady for several years. The high school is an open campus and there are very few competing lunch locations (i.e. McDonalds, Taco Bell, etc.) Participation at the elementary school, among all categories (free, reduced and paid) is very high, especially at lunch.

## Assessment

This district currently collects in cash/checks \$61,000 annually, from paid and reduced price eligible students. Under Provision 2 or 3 this revenue would be forfeited, however the district can realize certain savings in labor. The District estimates that it will save a half hour each day by not performing categorized meal counts. In addition, five weeks each year (200 hrs.) will be saved in labor by not collecting applications or performing verification. Unfortunately, the difference between lost revenue and potential savings is still a negative \$12,000. The District would be required to subsidize any loss in the foodservice program.

## Decision

The District chose not to implement Provision 2 or 3 because of the negative financial impact on the Food Service department.

## Case Study

Number of Schools	13 Schools(7 = K-5, 4= 6-8, 2= 9-12)
Total Enrollment	~ 2900
Free and Reduced Percentage Range	70% – 75% at two elementary schools

### Background

This district in Maricopa County is interested in implementing Special Assistance at the two elementary school sites with the highest percentage of free and reduced eligible students. The free and reduced percentage at the two schools is between 70-75%. The Superintendent asked his business manager to prepare a financial statement to help determine what the financial impact would be if the SFA participated in Special Assistance at breakfast and lunch.

### Assessment

Because the two schools are less than 75% of free and reduced eligible students, implementing Special Assistance will cause a significant revenue loss to the overall program. However, the Superintendent is still interested in how the food service finances would be affected by implementing Special Assistance for breakfast only.

It was determined that there would be a loss of approximately \$2,000 if a non-pricing breakfast was implemented; however, if there was a slight increase in participation among the free and reduced students, it has the potential to offset the loss.

### Decision

The LEA decided to implement Provision 2 – Breakfast only because the increased student participation would offset the revenue loss. The decision was based on the overwhelming evidence that students learn better when they eat breakfast.



Arizona Department of Education

Diane Douglas, Superintendent of Public  
Instruction

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