

Operating a Provision 2/3 Non-Base Year



**TRAINING FOR NON-BASE YEAR SPONSORS
OPERATING PROVISION 2 OR 3**



Updated June 2015. Please note this training is specific to school food authorities (SFAs) operating the national school lunch program (NSLP) in the state of Arizona. This content is specific to the USDA guidance regulated by the Arizona Department of Education.

Training Requirements:



- School food authorities (SFAs) must complete this web-based training when operating their first non-base year.
- Please note, this training is explaining the responsibilities for SFAs operating their non-base years. These responsibilities are not for SFAs performing a base year or repeating a base year.

Web-based Training Worksheet



- If you have not already downloaded the Provision 2/3 Web-based Training Worksheet, please do so before advancing. In order to receive credit for this training, you will be required to submit this worksheet to ADE.

Provision 2/3 Web-based Training Worksheet



As you watch the training, you will be prompted to answer questions on your Worksheet. The light bulb icon will be a reminder that this information relates to a question on your worksheet.

- **All questions** on the Worksheet need to be completed before submitting to ADE.

What is Special Assistance?



- Special Assistance is a provision of the National School Lunch Program (NSLP) designed to reduce administrative responsibility for SFAs.
- Each provision provides an alternate claiming option for NSLP.
- Schools participating must have the ability to contribute non-federal funds to become non-pricing.
- Arizona participates in Provision 2, Provision 3 and Community Eligibility Provision (CEP).

What does it mean to be ‘non-pricing’?



- Non-pricing is when a school provides meals to students at no cost to the household.
- The SFA will get reimbursement based on the Free, Reduced and Paid eligibility determinations.
- Free is an eligibility status under NSLP that provides free benefits for students who meet the categorical and/or income guidelines that will provide meals at no cost to the family and USDA provides the “free” reimbursement rate to the school.
- Non-pricing **DOES NOT** mean every child is claimed as Free.



Passing a Base Year



- In order to operate in Provision 2 or Provision 3, you had to complete a base year.
- During a base year, you:
 - ✓ Needed to perform the standard administrative duties of the National School Lunch Program with no changes.
 - ✓ Have a successful administrative review that looked at your certification procedures, counting and claiming procedures and point of service (POS) during your base year.

Non-Base Years



- Non-base years are the operating years with reduced administrative responsibilities.
- While operating a non-base year, you are NOT required or allowed to:
 - Distribute/collect and certify household applications
 - Conduct Verification activities (the report is still required)
 - Count/claim meals by eligibility category



Counting and Claiming by
CATEGORY

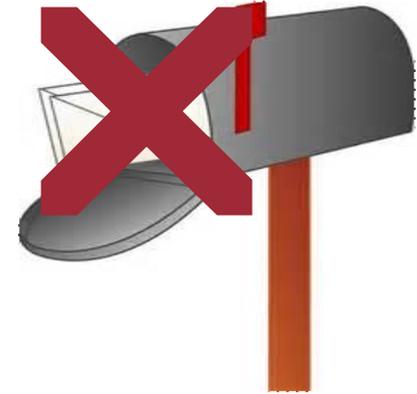
Meal Counts

Free

Reduced

Paid

Distribute/Collect/Certify
Household Applications



Verification
Activities



RESTRICTED!



Non-Pricing Notification



The school food authority must continue to provide notification that nutritious meals are available at school for no cost.

Notification must be given to:

- 1. The public**

- ✦ A sample [Media Release](#) template is available on the ADE website. Since all meals are served to children at no charge, ensure appropriate changes are made to the media release such as no meal charges.

- 2. The school's households**

- ✦ A template for the [Parent Letter of Non-Base Year](#) to notify households of non-pricing for meals.



Counting and Claiming during a Non-Base Year

- Meals are still **counted** at the Point of Service, but SFAs will use an alternate counting system which will only require **total** meal counts.
- **Claims** are still submitted monthly, but SFAs will only be prompted to enter in the **total** meals for the month.

Claiming



Regular Claiming

Including a base year

Number of days served

Number of meals served by category (Free, Reduced, Paid)

Participants enrolled by category (Free, Reduced, Paid)

Provision 2

Non-base year

Number of days served

Total meals served

Total enrollment

Provision 3

Non-base year

Number of days served

Total meals served

Total enrollment

As you can see, you do NOT enter meals by category during Non-Base years.



How do I submit my claim in CNP Web in a Non-Base year?



- Claims are still submitted monthly for each site, but Provision sites will only need to claim using total serving days, total enrollment and total meals served for the month.

When the SFA makes a claim, there will be fields available for the data that is necessary; all other fields will auto populate when the necessary data is entered. It is not possible for SFAs in the State of Arizona to record their own free, reduced and paid meals during a non base year.

Lunch - High Rate	
Number of Days Served:	<input type="text" value="15"/>
Free Meals Served:	1683
Reduced-Price Meals Served:	61
Paid Meals Served:	131
Total Meals Served:	1875
Actual Total Meals Served:	<input type="text" value="1723"/>
Participants Enrolled:	<input type="text" value="146"/>



Counting and Claiming

Scenario:

The manager at Happy Elementary checks the list at the POS to see how many meals came through today.

The POS indicates a total of 400 lunches, but it doesn't indicate how many are free, reduced and paid.



#4. Should the manager be worried?



#5. What is your school's method for meal counting?



Counting and Claiming

Scenario:

The manager at Happy Elementary checks the list at the POS to see how many meals came through today.

The POS indicates a total of 400 lunches, but it doesn't indicate how many are free, reduced and paid.

She should not be worried; during a non-base year, the SFA should not count meals based on eligibility.



Counting and Claiming

Scenario:

The manager is nervous that having only the total meal count will affect her claiming.



#6. How will she enter all the meals on her claim?



#7. When entering a claim, what **THREE** fields must you enter?



Counting and Claiming

Scenario:

The manager is nervous that having only the total meal count will affect her claiming.

How will she enter all the meals on her claim?

“Actual Total Meals Served”. She is unable to enter in data for each of the Free, Reduced and Paid categories.

Lunch - High Rate

Number of Days Served:

Actual Total Meals Served:

Participants Enrolled:



Making Sense of Special Assistance Claiming

- How are schools able to not collect household applications and have no BID, but still claim for reimbursement?
- This is an important process to understand as it is the foundation for how Special Assistance works.

How Does Claiming Work?



	Provision 2	Provision 3
Base year:	Meals are counted at the POS and claimed according to each child's eligibility (F/R/P). <i>Must be non-pricing*</i>	Meals are counted at the POS and claimed according to each child's eligibility (F/R/P). <i>Non-pricing. Can only be pricing after consulting the state agency*</i>
Non-base years:	Only total meals are recorded at the POS and claims are based off of the claiming percentages established in the corresponding month from the base year. <i>Must be non-pricing*</i>	Only total meals are recorded at the POS and claims are based off of actual meals served in the corresponding month from the base year. These meals are adjusted for number of days served and enrollment. <i>Must be non-pricing*</i>

The way CNPWeb calculates your claim during the non-base year is the main difference between Provision 2 and Provision 3.

Provision 2 – Claiming



- Claiming percentages are established for each category (F/R/P) from data collected during the base year.
- For example:
 - Your non-base year claim for November will use November's base year claim data.
 - Your non-base year claim for December will use December's base year claim data.
- 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.

Claims for Non Base Year Provision 2

Example: Month of November



You enter
into CNP Web

CNP Web
calculates
for you

	Base Year Claim for November	Percentage	(Multiply) X	Non-Base Year Total Meals in November	(Equals) =	Non-Base Year Claim for November
Free	1045	72.60%		1650		1198
Reduced	212	14.70%				243
Paid	182	12.70%				209
Total Meals	1439	100%				1650

Percentages are used for the claim data which assume that free, reduced and paid eligible students will be consistent each month of each year.

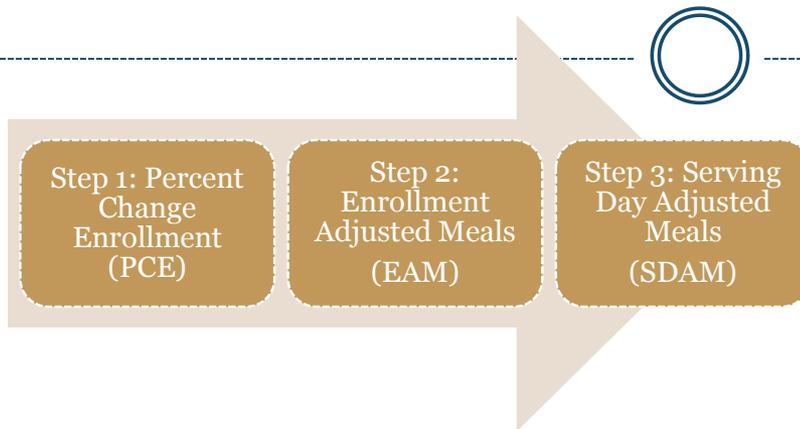
In this example, the base year had 72% of their meals claimed as free in November. Provision 2 assumes that in November during each non base year, 72% of the total meals are free.

Provision 3 – Claiming



- Provision 3 provides administrative relief in the form of alternate claiming using monthly reimbursement amounts from base year claims during non-base years.
- **These amounts are adjusted for inflation, enrollment and operating days.**
- 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.

Adjusting Claims for Provision 3



The same formula is repeated for reduced and paid meals. In the State of Arizona, the CNP Web claiming system calculates the data above automatically on behalf of the SFA for each month.

Provision 3 Claiming Adjustment for the month of November *Example Using Free Meals*

	Step 1	Step 2	Step 3
Action	Percent Change Enrollment	Enrollment adjusted meals	Serving day adjusted meals
Steps	November Non-Base year enrollment ÷ November base year enrollment	November Base year free meals x percent change enrollment	(November Base year serving days ÷ November Non-Base serving days) x enrollment adjusted meals
Example	210 (NBY) ÷ 200 (BY) = 1.05	1045 x 1.05 = 1097.25	(16 ÷ 18 = 0.89) x 1097.25 = 1232.87

In the non-base year for November, the claim was adjusted for the increased enrollment and increased serving days from the November Base Year data.



SPECIAL ASSISTANCE DAILY EDIT CHECK WORKSHEET

School: _____ Enrollment (Membership): _____ Attendance Factor (AF): _____ Month/Year: _____

Day of Month:	School Breakfast Program				TOTAL COUNTS	Day of Month:	School Lunch Program				TOTAL COUNTS
	A	B	C	D			A	B	C	D	
Total Eligible:	AF	Total Eligible x AF	Total Meals Served:		Total Eligible:	AF	Total Eligible x AF	Total Meals Served:			
1						1					
2						2					
3						3					
4						4					
5						5					
6						6					
7						7					
8						8					
9						9					
10						10					
11						11					
12						12					
13						13					
14						14					
15						15					
16						16					
17						17					
18						18					
19						19					
20						20					
21						21					
22						22					
23						23					
24						24					
25						25					
26						26					
27						27					
28						28					
29						29					
30						30					
31						31					
TOTAL MONTHLY MEAL COUNT						TOTAL MONTHLY MEAL COUNT					

Meals Served should not exceed Eligible x Attendance Factor (AF). Column D should not exceed column C.

Daily Edit Checks

- Daily Edit Checks are still required to ensure that you are not claiming more total meals than the total enrollment of the school.
- Since claims will only ask for the total meals, the daily edit checks are now simplified.



A “Daily Edit Check for Non-Base Years” template can be found on the Special Assistance webpage:

<http://www.azed.gov/health-nutrition/special-assistance/>

- Required information includes:
 - Total students (eligibles)
 - Total meals
 - Attendance factor
 - Days served



Verification Report

- The Verification Report must be completed by February 1st
- Information you will need:
 - October claim data from the **base year** and **current year**
 - “Calculation for Adjusted Free and Reduced-Price Eligible” worksheet which is also called the “Special Assistance Verification Exempt Calculator” worksheet



Verification Report

- The report will ask for:
 - the number of FREE students in your NON base year
 - the number of REDUCED students in your NON base year

The problem: You were told to NOT collect eligibility information... so how will you determine for this program year, how many are free and how many are reduced?

The solution: Open the “Calculation for Adjusted Free and Reduced-Price Eligible” worksheet. Plug in your October base claim data (Total Participants, Free Participants and Reduced Participants) and your current October claim data (Total Participants). The calculator will automatically calculate BOTH values for you!

How to calculate Adjusted Free and Adjusted Reduced Price eligible data for the Verification Report

Enter Base Year Claim Data & Current Claim Data
(Both from October)



By entering claim data into the “Calculation for Adjusted Free and Reduced-Price Eligible Worksheet” – the worksheet automatically calculates the Adjusted FREE students and the Adjusted REDUCED students.

You can now enter this information for your Verification Report, due February 1st.

Calculation for Adjusted Free and Reduced-Price Eligibles				
Sites/Schools	Current Year Enrollment Data		October Claim Data for Base Year Eligibles	
	Participants Enrolled	Participants Enrolled	Participants Approved for Free Meals	Participants Approved for Reduced-Price Meals
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
Current Year Enrollment Total		October Base Year Enrollment Total	Total Participants Approved for Free Meals	Total Participants Approved for Reduced-Price Meals
Sponsor Totals:			0	0
Adjusted Free Eligible Students in Current Year*		#DIV/0!		
Adjusted Reduced-Price Eligible		#DIV/0!		

Verification Report



Record Retention

- Retain specified base year records for the entire period that the school operates under Provision 2 and Provision 3 (base year plus all extensions), plus five years, or longer if there are audit findings and until resolution of the findings.



Record Retention



Records that the SFA should retain:

- Public notification documents including media releases and parent/guardian letters
- Applications for free and reduced price meals
- Direct certification records
- Benefit issuance documents
- Student transfer records
- Meal counting and claiming documents
- Verification documentation
- On-site review documents
- Daily Edit Check documents
- Data showing the calculation of claiming percentages
- Extension data, i.e., socioeconomic data (if you plan on applying for an extension)
- Claim for reimbursement documents
- Any other documents pertaining to the operation of your NSLP



Conduct Direct Certification

- SFAs are still required to conduct Direct Certification a minimum of three times a year.
- ADE will request all LEAs to submit the number of direct certification matches as of April 1.
- ADE will post this information on the Special Assistance webpage to notify SFAs if they are near eligible to participate in the Community Eligibility Provision.
- All LEAs must submit this information, even if they do not intend to participate in CEP.

Provision Cycles



Example cycle for a Provision 2 school:

Year 1 (base year)	Year 2 (non-base year)	Year 3 (non-base year)	Year 4 (non-base year)
2012-2013	2013-2014	2014-2015	2015-2016

Example cycle for a Provision 3 school:

Year 1 (base year)	Year 2 (non-base year)	Year 3 (non-base year)	Year 4 (non-base year)	Year 5 (non-base year)
2012-2013	2013-2014	2014-2015	2015-2016	2016-2017

End of Cycle

When an SFA is approaching the completion of their Special Assistance cycle they have four options:

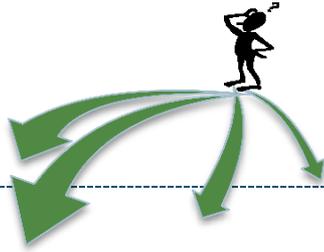


#1. Return to regular NSLP and SBP functions

#2. Apply for a new base year

#3. Apply for an extension

#4. Apply for Community Eligibility Provision (CEP)



End of Cycle Options



#1. Return to regular NSLP and SBP functions

- Do not need to notify ADE.
- Upon return to NSLP and SBP; you WILL need to distribute/collect/certify household applications.

#2. Apply for a new base year

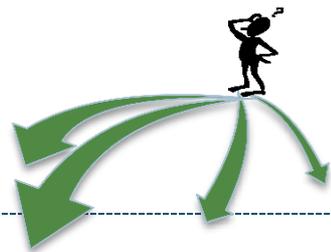
- May 1st of your LAST non-base year, submit an application to ADE
- Upon approval, the following school year will be the base year; during this year you WILL need to distribute/collect/certify household applications.

#3. Apply for an Extension

- May 1st of your SECOND TO LAST non-base year, submit an Extension application indicating which data source you will provide to support your population's income has not significantly changed.
- By March 1st of your LAST non-base year, submit socioeconomic data to ADE.
- Upon approval, the following school year will be a non-base year. Extensions provide 4 additional non-base years; during this year you will NOT distribute/collect/certify household applications

#4 Apply to CEP

- By June 30, submit the application to ADE.
- Upon approval, the following school year will be the start of CEP.
- Operate CEP for four years; during these years you will NOT distribute/collect/certify household applications.



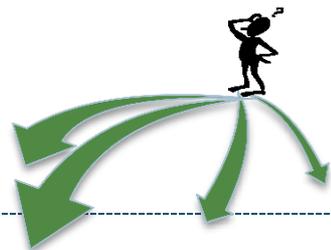
End of Cycle Deadlines



This chart organizes the deadlines associated with the different options.

Note: If you are planning on applying for an extension, you will need to complete the application by the second to last non base year!

	Option #1: Return to NSLP	Option #2: New Base Year	Option #3: Extension	Option #4: CEP
Second to Last Non Base Year Program Year 2015	No action	No action	Submit Extension application to ADE by May 1 st (May 1, 2015)	No Action
Last Non-Base Year Program Year 2016	No action	Submit Base Year application to ADE by May 1 st (May 1, 2016)	Submit Extension data to ADE by March 1 st (March 1, 2016)	Submit CEP application to ADE by June 30 th of your Direct Certification data as of April 1
Year after Special Assistance Cycle Program Year 2017	Running normal NLSP: distribute, collect, certify household apps	Operating New Base Year: distribute, collect, certify household apps	Operating first of four non-base years using original Base Year data (From Program Year 2013): DO NOT RE-DO A BASE YEAR. DO NOT distribute, collect, certify household apps	Operating first of four years operating CEP; DO NOT distribute, collect, certify household applications



End of Cycle Deadlines

Year 1 (base year)	Year 2 (non-base year)	Year 3 (non-base year)	Year 4 (non-base year)	Year After Special Assistance Cycle
Program Year 2013 (2012-2013)	Program Year 2014 (2013-2014)	Program Year 2015 (2014-2015)	Program Year 2016 (2015-2016)	Program Year 2017 (2016-2017)

For example, West School is operating Provision 2. Here is their Special Assistance Timeline:

	Option #1: Return to NSLP	Option #2: New Base Year	Option #3: Extension	Option #4: CEP
Second to Last Non Base Year Program Year 2015	No action	No action	Submit Extension application to ADE by May 1 st (May 1, 2015)	No Action
Last Non-Base Year Program Year 2016	No action	Submit Base Year application to ADE by May 1 st (May 1, 2016)	Submit Extension data to ADE by March 1 st (March 1, 2016)	Submit CEP application to ADE by June 30 th of your Direct Certification data as of April 1
Year after Special Assistance Cycle Program Year 2017	Running normal NLSF: distribute, collect, certify household apps	Operating New Base Year: distribute, collect, certify household apps	Operating first of four non-base years using original Base Year data (From Program Year 2013): DO NOT RE-DO A BASE YEAR. DO NOT distribute, collect, certify household apps	Operating first of four years operating CEP; DO NOT distribute, collect, certify household applications



On Your Worksheet, complete your Special Assistance Timeline

Extensions



- The State agency may approve a four-year extension (for Provision 2 and Provision 3) if the income level of the school's population, as adjusted for inflation, has remained stable, declined or had only negligible improvement since the base year.
- Negligible improvement: an improvement in the base year income level of the school's population that is **5% or less, as adjusted for inflation.**

How to Apply for an Extension



Second to last non-base year:

- Step 1: Decide which type of socioeconomic data is best to use for your site(s)
 - Unemployment data by your county
 - Certification data including Direct Certification (with prior state agency approval)
- Step 2: Fill out the Extension application to notify ADE of your intent to extend your provision (by May 1st of your second to last non base year)

Last non-base year:

- Step 3: Calculate the percent change with the Extension Calculation Worksheet. Submit this worksheet and supporting socioeconomic data to ADE by March 1st of your last non base year.

Both the Extension Application and the Extension Calculation Worksheet are available on the Special Assistance website

Am I on the Right Provision?



- Which is most reflective of our site(s)?
 - Population and participation fluctuate
Most schools on Special Assistance have enough turn over for the percentage claiming style of Provision 2 to be beneficial.
 - Population and participation stable
In some cases, such as boarding schools, the population of the school is stable enough to benefit from Provision 3.
- If you're not sure, ask your School Nutrition Programs specialist!

Can I change from Provision 2 to 3?



- Changing from Provision 2 to 3
 - Must get ADE approval – request on school letterhead.
 - All sites on Special Assistance may only participate in a cycle of 4 years (combined).
 - The SFA must submit updated Free and Reduced Price Policy Statement.

Can I Change from Provision 3 to 2?



- Changing from Provision 3 to 2
 - The SFA's Provision 3 base year **must** have been non-pricing.
 - Must get ADE approval – request on school letterhead.
 - All sites on Special Assistance may only participate in a cycle of 4 years (combined).
 - The SFA must submit updated Free and Reduced-Price Policy Statement.

Can I Change from Provision 2/3 to CEP?



- LEAs may change to CEP before the next school year:
 - Must submit CEP application to ADE by required due date (June 30th)
 - SFA will use Direct Certification data as of April 1 of the current program year
 - All sites operating CEP will start a 4-year cycle (regardless of how many years operating Provision 2/3)

Stopping Provision 2/3



- At any time LEAs can go back to regular operation of NSLP:
 - First notify ADE and establish date for change in reimbursement claiming process.
 - The SFA must notify households and distribute household applications.
 - A minimum of 30 additional days of non-pricing is required for the transition.
 - The SFA must resume normal counting and claiming.

Special Assistance: Provision 2 and 3



Submit your handout and attachment to ADE by
emailing or faxing it to:

ADESchoolNutrition@azed.gov

Fax: (602) 542-1531

You will receive your certificate within 14 days of ADE
receiving your handout.