

Final Rule Reduces CEP ISP Threshold from 40% to 25% for SY 2024-2025

On September 26, 2023, the United States Department of Agriculture (USDA), Food and Nutrition Service (FNS) published a [Final Rule, Child Nutrition Programs - Community Eligibility Provision—Increasing Options for Schools](#). This final rule will lower the Identified Student Percentage (ISP) threshold to participate in CEP from 40% to 25%, beginning with SY2024-2025 CEP elections. This will be based on the ISP data from April 1, 2024.

Please note the following:

- The new threshold for implementing a fifth CEP “grace year” is 15%-24.99%.
- The USDA multiplier, currently 1.6, remains unchanged.
- For any school electing CEP for the first time, especially at these lower ISP percentages, it is highly recommended that you complete the CEP evaluation worksheets available at <https://www.isbe.net/cep> to ensure that election to CEP is financially feasible for your school/district.
 - See example on next slide, for estimated funding amounts for each reimbursable breakfast and lunch.
 - USDA refers to CEP as a federal/local cost sharing model program.

Overview of the CEP Identified Student %, the CEP Claiming Percentages, and Average Lunch and Breakfast Reimbursement, based on SY23-24 Rates of Reimbursement (60% and greater NSLP rate, and Severe Need for SBP)

CEP Identified Student %	FREE Claiming % (* 1.6 USDA factor)	PAID Claiming % (100-Free)	Average LUNCH Reimbursement	Average Breakfast Reimbursement
62.50%	100.00%	0.00%	\$4.35	\$2.73
55.00%	88.00%	12.00%	\$3.89	\$2.45
52.00%	83.20%	16.80%	\$3.70	\$2.34
50.00%	80.00%	20.00%	\$3.58	\$2.26
45.00%	72.00%	28.00%	\$3.27	\$2.07
40.00%	64.00%	36.00%	\$2.96	\$1.88
35.00%	56.00%	44.00%	\$2.68	\$1.72
30.00%	48.00%	52.00%	\$2.37	\$1.53
25.00%	40.00%	60.00%	\$2.06	\$1.34