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New Policy Makes It Easier for Community Eligibility Schools to Participate in E-Rate Program

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A new Federal Communications Commission (FCC) policy will make it easier for school districts adopting the Community Eligibility Provision — through which they can serve meals at no charge to all students — to apply for discounted telecommunications services and Internet access through the E-rate program.¹ The new E-rate policy streamlines the discount calculation process for community eligibility schools so that they do not face any additional burdens relative to other schools.

The Community Eligibility Provision, a relatively new option within the federal school meal programs, eliminates school meal applications. Schools are eligible to adopt the Community Eligibility Provision based on the share of their students who are low-income, as assessed by other programs. Schools that adopt community eligibility must serve all meals at no charge.² Community eligibility has been implemented a few states at a time over the past three years and is available nationwide for the 2014-2015 school year.

Since community eligibility schools do not determine which *individual* children are eligible for free or reduced-price meals, the E-rate program has developed ways for them to calculate their E-rate discount level. For school years 2011-2012 through 2014-2015, the FCC (which sets E-rate policy) directed community eligibility schools to continue using the share of students approved for free or reduced-price meals in the year prior to implementing community eligibility for purposes of determining their E-rate discount.³ Schools with 75 percent or more of their students approved for

¹ The new policy is outlined in points 225-229 in “Report and Order on Modernizing the E-rate Program for Schools and Libraries,” Federal Communications Commission, released July 23, 2014, http://transition.fcc.gov/Daily_Releases/Daily_Business/2014/db0723/FCC-14-99A1.pdf.

² Madeleine Levin and Zoë Neuberger, “Community Eligibility: Making High-Poverty Schools Hunger Free,” Food Research and Action Center and Center on Budget and Policy Priorities, October 1, 2013, <http://www.cbpp.org/files/10-1-13fa.pdf>.

³ Trent B. Harkrader, “E-rate guidance letter to Mr. Mel Blackwell,” Federal Communications Commission, July 31, 2012, https://apps.fcc.gov/edocs_public/attachmatch/DA-12-1196A1.pdf.

free or reduced-price meals receive a 90 percent discount; most schools that adopt community eligibility likely fall into this category.⁴

The FCC on July 23 issued a new, permanent E-rate policy, which explains how community eligibility schools will calculate their E-rate discounts. The policy will take effect beginning in the 2015-2016 school year.⁵ It governs applications for E-rate funding that schools will submit in January 2015 and subsequent years.

Under the new policy, *all* school districts — whether they adopt community eligibility for all, some, or none of their schools — must determine their discount percentage for the district as a whole, rather than for each individual school (as under the previous policy).⁶ The district will add up all the students approved for free or reduced-price meals across all schools and divide that by the total student enrollment across the district. The resulting percentage will determine the district's E-rate discount rate.

Community eligibility schools will calculate the number of students considered approved for free or reduced-price meals using the data already available to them through the school meals program. Specifically, they will determine the number of students who would qualify for free meals automatically even without community eligibility (because they have been identified as low income by another program, such as the Supplemental Nutrition Assistance Program, formerly known as food stamps, or are considered at risk of hunger) and multiply that by the community eligibility multiplier (currently 1.6).⁷ The result is the number of students considered approved for free or reduced-price meals. The 1.6 multiplier reflects the fact that, for every ten students who would qualify for free meals automatically, roughly six more students come from families that would qualify for free or reduced-price school meals if they completed an application.

Once a community eligibility school calculates the number of students considered approved for free meals, the resulting number of students gets added to the students approved for free meals at other schools. The total number of students approved for free meals across all schools in the

⁴ In the year prior to implementing community eligibility, 82 percent of children at participating schools in Illinois, Kentucky, and Michigan (the first three states to implement community eligibility) were approved for free or reduced-price meals. See Madeleine Levin and Zoë Neuberger, “Community Eligibility: Making High-Poverty Schools Hunger Free,” Food Research and Action Center and Center on Budget and Policy Priorities, October 1, 2013, Figure 4,, <http://www.cbpp.org/files/10-1-13fa.pdf>.

⁵ School year 2015-2016 is referred to in the context of E-rate as funding year 2015.

⁶ See points 210-221 in Federal Communications Commission letter, released July 23, 2014, http://transition.fcc.gov/Daily_Releases/Daily_Business/2014/db0723/FCC-14-99A1.pdf.

⁷ See points 225-229 in “Report and Order on Modernizing the E-rate Program for Schools and Libraries,” Federal Communications Commission, released July 23, 2014, http://transition.fcc.gov/Daily_Releases/Daily_Business/2014/db0723/FCC-14-99A1.pdf. Students approved for free meals without an application are known as “Identified Students” or “directly certified students” in the context of the Community Eligibility Provision. (See Question and Answer 14 in “USDA memo SP 21-2014 (v.2),” U.S. Department of Agriculture, revised July 25, 2014, <http://www.fns.usda.gov/sites/default/files/cn/SP21-2014v2os.pdf>.) They include children who are in foster care or Head Start, are homeless, migrant, or living in households that receive SNAP (formerly food stamps), Temporary Assistance for Needy Families (TANF) cash assistance, Food Distribution Program on Indian Reservations (FDPIR) benefits, or Medicaid in areas approved for USDA’s Medicaid Direct Certification Demonstration Projects.

district gets divided by the total number of students enrolled in the district. The resulting percentage determines the district's E-rate discount percentage.⁸

If the number of students approved for free meals without an application increases during the course of a four-year community eligibility cycle, or if the Agriculture Department changes the 1.6 multiplier, the change will be incorporated into the calculations for E-rate so that community eligibility schools will not have to do one calculation for school meal purposes and another for E-rate purposes.

Because the FCC issued the new policy so close to the August 31 deadline for school districts to adopt community eligibility for the 2014-2015 school year, school nutrition administrators and other stakeholders can help local E-rate staff find the new policy, which is included in a more comprehensive document describing various changes to the E-rate program that might not have been disseminated to every school district already.

As school districts consider whether to adopt community eligibility for some or all of their schools, this new straightforward E-rate policy — and the certainty that a permanent policy offers — should assure them that community eligibility won't compromise their ability to obtain an E-rate discount.

⁸ See point 217 in Federal Communications Commission letter, released July 23, 2014, http://transition.fcc.gov/Daily_Releases/Daily_Business/2014/db0723/FCC-14-99A1.pdf.