

The Oregon CEP Incentive Reimbursement Program (CEPI)

The top left bar in the graph below represents a school, group or district that just qualifies for CEP with a 40% ISP. Applying the 1.6 multiplier results in a 64% free claiming percentage with the remaining 36% reimbursed at the federal paid rate. However, even with federal CEP alone, the provision may not be financially viable for some school districts.

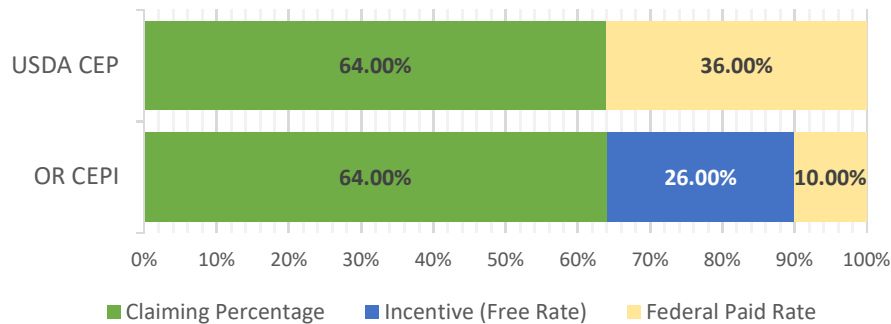
With CEPI, the state will supplement the federal free reimbursement rate up to 90% and the remaining 10% will be reimbursed at the federal paid rate. In short, Oregon **CEPI** will effectively bump up the federal free claiming rate to 90% for all sponsors eligible to participate in CEP.

The two tables below are based on typical ISPs in the range of 40 and 50 percent, and are an example of how the CEPI reimbursement (blue) changes as the ISP increases.

The benefit of CEPI ends when the ISP reaches 56.25%, which calculates to the 90% claiming percentage limit for CEPI. At this point, it is likely a viable financial decision to participate in CEP.

Note: The ideal ISP would be 62.5% or above, which calculates to a 100% federal free claiming rate.

Claiming Percentage based on 40% ISP



Claiming Percentage based on 50% ISP

