

Provision 2

What is Provision 2?

Provision 2 is an option for schools participating in the National School Lunch and School Breakfast Programs to reduce paperwork, simplify the logistics of operating school meals programs, and offer meals at no charge to all students.

Any school that participates in either or both school meal programs may opt for Provision 2. Schools using Provision 2 do not have to collect, process, or verify school meal applications or keep track of meals served by fee category (free, reduced-price, and paid) for at least three out of every four years.

Provision 2 schools have the option to serve only breakfast or lunch, or both breakfast and lunch, to all students at no charge — and use economies of scale from increased participation and significant administrative savings to offset the cost of offering free meals to all students.

Why Provision 2?

Increase Participation

- Reduce stigma — When all children are offered a meal at no charge, more children participate and stigma that the school meal programs are only for low-income children is eliminated.
- Breakfast after the bell — Offering meals at no charge makes it easier to implement breakfast models that boost participation, like breakfast in the classroom.

Streamline Meal Service

- No need to collect fees from students at the point of service — All students eat at no charge.
- Students do not have to punch in their personal identification numbers or swipe their student identification cards — Schools collect only total meal counts instead of counting each meal served by free, reduced-price, and paid.



- Faster serving lines — More students can get through the line and students spend more time eating and less time waiting.

Decrease administrative work

- Simplify paperwork — Collect, process, and verify household applications at most once every four years.
- Significant administrative savings — Reduce labor costs associated with: distributing, collecting and processing applications, and conducting verification of household applications; tracking meals served by fee categories; and collecting payments including unpaid meal fees.
- Free up employees' time for other possible areas of food service — Employee hours previously spent on administration can be shifted to meal preparation and service.
- Economies of scale — When meals are served at no charge to all students, more children participate; higher meal participation leads to lower per-meal costs.

Promote good nutrition and help improve student achievement

- Children who eat school meals have more nutritious diets than children who don't, regardless of income level.
- Better nutrition leads to better academic performance, behavior, and learning environments.
- Providing school meals at no charge promotes the value of good nutrition to all students.

How Does Provision 2 Work?

Provision 2 runs on a four-year cycle with certain requirements in the first year and reduced administrative requirements in subsequent years:

- Year 1 — In the first year of Provision 2, known as the “base year,” schools collect household applications and track meals served by fee categories (free, reduced-price, and paid) as they would under the traditional program, however, schools also provide meals to all students at no charge. Reimbursements for the base year are provided based on the number of meals served in each fee category.
- Years 2–4 — For at least the three years following the base year, schools do not collect household applications and are only required to submit total meal counts for reimbursement. Schools continue to provide meals to all students at no charge. Reimbursements for years 2–4 are based on the percentages of free, reduced-price, and paid meals served during the base year. The base-year percentages are applied to the total number of meals served during each of the following years.
- Renewals — At the end of each four-year cycle, a school may continue under Provision 2 for another four years without establishing a new base year or collecting new household applications if the income level of the school's population has not substantially improved by more than 5 percent, based on census, direct certification, or other approved data. The school's reimbursements then would continue to be based on the percentages of free, reduced-price, and paid from the previous cycle's base year.

Is Provision 2 Right for All Schools?

Schools with high percentages of low-income students – 75 percent or more in some cases – are able to use Provision 2 for both breakfast and lunch and break even. Some schools have opted to use Provision 2 for just breakfast when the percentage of free and reduced-price students is as low as 60 percent.

When schools use Provision 2 for breakfast only, they have to continue collecting school meal applications, but there are still benefits. Offering breakfast free to all students increases breakfast participation which frequently lags behind lunch participation. It also makes it easier for schools to provide breakfast in the classroom, which ensures that all students have the opportunity to begin their school day with a healthy meal.

Many high-poverty schools that could implement Provision 2 may also qualify for the Community Eligibility Provision, another federal option for schools to offer free breakfast and lunch to all students. For more on the community eligibility division, see [FRAC's website](#). School districts should consider both options and determine which provision would work best for the district financially.

How to Get Started With Provision 2

Schools should first consider the changes in expenses and revenues that would occur under Provision 2. Contact FRAC for more information on Provision 2 cost-benefit analysis worksheets that have been developed in several states.

School nutrition programs should contact their state agencies for assistance on how to implement Provision 2 in some or all of their schools.

The U.S. Department of Agriculture's Provision 2 guidance and other information about Provision 2 are posted on USDA's website at <http://www.fns.usda.gov/school-meals/provisions-1-2-and-3>

For more information, contact:

Food Research & Action Center
202-296-2200
frac.org