



Provision 2 of the National School Lunch Act

WHAT IS PROVISION 2?

- Provision 2 is an option in the federal School Breakfast Program and National School Lunch Program for schools to reduce the paperwork and simplify the logistics of operating school meals programs. Any school that participates in the National School Lunch Program or the School Breakfast Program may opt for Provision 2.
- Provision 2 schools do not have to collect and process school meals applications, keep track of meal categories, or conduct verifications for at least three out of every four years.
- Schools that opt for Provision 2 serve meals to all students at no charge. Provision 2 schools pay the difference between the cost of serving meals at no charge to all students and the federal reimbursement. The significant administrative savings of Provision 2 help offset the cost differential.

WHY PROVISION 2?

To simplify paperwork

- Applications – Collect applications only once every four years, at most.
- Claims – Record and track meal categories only once every four years, at most.
- Verifications – Conduct verifications only once every four years, at most.

To streamline meal service

- No more cashiers – All students eat at no charge.
- No more student PIN numbers, lunch tickets or ID cards – Collect only total meal counts.
- Faster serving lines – Students spend more time eating, less time in line.

To decrease school food service costs

- Significant administrative savings – Reduce labor costs associated with collecting, tracking and recording of applications, meal categories, payments and verifications.
- Free employees for other areas of food service – Employee hours spent on administration can be shifted to meal preparation and service.
- Economies of scale – Higher meal participation leads to lower per-meal costs.

To promote good nutrition and help improve student performance

- Provision 2 increases student participation in school meals.
- Children who eat school meals have more nutritious diets than children who don't, regardless of income level.
- Better nutrition in children leads to better academic performance, behavior and learning environments.
- Providing school meals at no charge promotes the value of good nutrition to all students.



Provision 2 of the National School Lunch Act

HOW DOES PROVISION 2 WORK?

- Base Year – In the first year of Provision 2, schools collect applications and track meal categories (free, reduced price and “paid”). Schools also provide meals to all students at no charge.
- Administration for years 2 through 4 – For at least the three years following the Base Year, schools do not collect meal applications and count only meal totals. Schools continue to provide meals to all students at no charge.
- Reimbursement for years 2 through 4 – Schools calculate their federal meal reimbursements by applying the percentages of free, reduced price and “paid” meals served during the Base Year 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 collecting new applications if the income level of the school’s population has not improved by more than five percent. The school’s reimbursements then would be based on the percentages of meal categories from the most recent 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 without losing money. 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. Cafeteria staff do not have to do individual counting and claiming for the breakfast meal which frees up staff time and makes cafeteria lines move more quickly. Universal breakfast increases participation by low-income students 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.

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.
- USDA’s regulations concerning Provision 2 and other information about Provision 2 are posted on the USDA website at www.fns.usda.gov/cnd/Governance/prov-1-2-3/provision1_2_3.htm

Contact: Madeleine Levin | 202.986.2200 x3004 | mlevin@frac.org