UNIVERSAL FREE SCHOOL MEALS:
COMPARING FUNDING OPTIONS TO CREATE HUNGER-FREE SCHOOLS

Every student deserves access to healthy food every day, and offering students meals at no cost to them, often referred to as universal free school meals, is a great way to make that happen. The most common benefits of offering universal free meals are:

- Reduced or eliminated stigma, as the financial barrier of paying for school meals is eliminated;
- Less paperwork for school nutrition staff;
- More streamlined meal service operations;
- Less unpaid meal debt; and
- Fewer students turned away due to inability to pay.

Removing the financial barrier of school meals for students also increases meal participation. Increased meal participation translates to more revenue coming into the district because each additional meal served increases the amount of federal reimbursements the district receives. The more kids that eat school breakfast and lunch, the more revenue the district has to reinvest in the school meals program and make it a success.

School districts have several school meal funding options for implementing universal free school meals, including the Community Eligibility Provision (CEP), Provision 2, and locally funded universal free meals ("non-pricing"). The chart below highlights the differences between each option:

	Community Eligibility Provision	Provision 2	Non-Pricing
Which Meals Are Offered at No Cost to Students?	**All students** are offered **both** school breakfast and lunch at no cost to them.	Schools can use Provision 2 to offer school breakfast **and/or** lunch to **all students** at no cost to them.	School(s) may offer school breakfast **and/or** lunch for **all students** at no cost to them.
Which Schools Are Eligible?	**High-poverty schools** are eligible when the identified student percentage is at least 40%. Identified students are eligible for free meals through a data matching process if they live in households that participate in SNAP, TANF, and/or FDPIR, or are homeless, migrant, in foster care, or enrolled in Head Start (and Medicaid, in some states).	**All schools** are eligible to participate.	**All schools** are eligible.

When Is the Deadline?	Schools must declare their intent to elect CEP before **June 30.**	Schools must obtain state agency approval by **October 15.**	n/a
What Are the Benefits for Schools?	**Significantly reduces administrative burdens** by eliminating free and reduced-price school meal applications. Counting and claiming meals is also easier for the cafeteria staff. CEP runs on a four-year cycle and schools can opt-out of CEP at any time.	**Reduces administrative burdens** because free and reduced-price meal applications need only be collected every 4 years. Additional 4 year extensions are possible if the poverty rate has changed 5% or less.	**Reduces administrative burdens.** Cafeteria staff don't need to collect money from students, but schools still collect school meal applications every year.
How Are Schools Reimbursed for Meals?	Schools are federally reimbursed based on the Identified Student Percentage (ISP). The ISP is multiplied by 1.6 to determine the percentage of meals served that will be reimbursed at the federal free meal rate. The remainder of meals served will be reimbursed at the federal paid meal rate. A group of schools using CEP receives school meal reimbursements based on the total enrollment and total ISPs of all schools in the group. For example, a group of schools with a total ISP of 50% will have 80% of their served meals reimbursed at the free meal reimbursement rate (50% x 1.6 = 80%), and the remaining 20% of meals served will be reimbursed at federal paid rate.	In the first/base year, schools count the meals served by fee category (free, reduced-price, or paid) and determine the percentage of meals served in each fee category. All meals are offered at no cost to all students during the first/base year. In years 2-4, schools receive reimbursement based on the percentage of meals served in each fee category during the base year.	Schools are federally reimbursed by the based on the number of meals served in each of the fee categories (free, reduced-price, and paid). No fees are collected from students.
Can Schools Use Grouping or Bundling?	Yes, schools can group together within a district to increase the number of schools that participate in CEP and/or to improve reimbursement rates. A school that is not individually CEP-eligible can still participate if it is grouped with other school(s) and the group ISP is at least 40%.	Yes, schools within a district can be grouped together to utilize the average free, reduced-price, and paid rates to maximize reimbursement.	n/a
Is This Financially Viable?	Yes, CEP is financially viable for many schools with ISPs above 40%. CEP reduces per-meal cost, improves economies of scale, reduces administrative costs, increases school meal participation, and increases federal revenue. (See USDA's reimbursement estimator.)	Yes, Provision 2 is financially viable in schools with a high free and reduced-price meal rate. The cost of offering free meals is offset by administrative savings, higher participation, and lower per-meal cost through economies of scale.	Non-pricing may be financially viable, especially if schools have funding support from the local government, school board, or private sources.
Is There an Impact on Education Funding?	CEP has **no impact** on Title 1 grants to school districts because these grants are based on census poverty data. School districts may distribute funding to schools based on one or more of these poverty measures: free and reduced-price meal rate (either the current rate or from before CEP), ISP (with or without a multiplier), census poverty rate for children 5-18, TANF, or Medicaid.	No impact on Title 1 funding.	n/a

FOR MORE INFORMATION:

To find more information about CEP, Provision 2, and Non-Pricing options, visit USDA's Food and Nutrition Service online resource centers:

- Provision 2
- Community Eligibility Provision resource center, including a Community Eligibility Basics webinar.

For more state-specific information about program operations and implementation, contact your state agency.

For a list of school districts by state that are eligible and near eligible to implement CEP, review FRAC's CEP Map. For more on CEP and Provision 2, FRAC's additional resources are listed below:

- Facts: Community Eligibility Provision
- Community Eligibility Provision: Making it Work with Lower ISPs
- Provision 2: How It Works
- CEP and Title 1 Funding