

PROVISION 2 (P2)
NATIONAL SCHOOL LUNCH AND
SCHOOL BREAKFAST PROGRAM

In an effort to reduce paperwork at the local level, the U.S. Congress has incorporated into Section 11 (a) (1) of the National School Lunch Act, the **Provision 2** alternative to the normal requirement for annual determination of eligibility for free and reduced price school meals and daily meal counts by type (free, reduced price, and full price meals).

- Provision 2 reduces application burdens and simplifies meal counting and claiming procedures. It allows School Food Authorities (SFAs) to establish claiming percentages and to serve all meals at no charge to the students for a four-year period.
- Schools must serve all meals to participating students at no charge for a period of four years. During the first year, known as the base year, there is no change in traditional procedures and administrative burden. The school collects applications, makes eligibility determinations, and takes meal counts by eligibility category. During the next 3 years, the school does not accept applications or determine eligibility and counts only the total number of reimbursable meals served each day. Reimbursement is determined by applying the same percentages of free, reduced price, and paid meals claimed during the corresponding month of the base year to the total meal count for the claiming month. The base year is counted as the first of the four years.
- At the end of each four-year period, the State agency may approve four-year extensions if the income level of the school's population remains essentially the same.
- There is no requirement that a minimum percentage of children enrolled are eligible for free or reduced price meals to participate in Provision 2. This meal-counting alternative may be good for schools with a very high percentage of students eligible for free and reduced price meals. However, schools electing Provision 2 must be prepared to pay the difference between the federal reimbursement for meals and the actual cost of providing the meal at no charge to students. The money to pay the difference must come from school funding sources other than federal funds.

Wisconsin Criteria to Participate in Provision 2

Schools must have approval from the Department of Public Instruction (DPI) prior to beginning Provision 2. In order for DPI to consider approval of Provision 2, the SFA must operate a system that has already demonstrated that they:

- accurately determine the eligibility of students for free or reduced price meals;
- accurately count meals, by type (free, reduced price, or full price); and
- accurately report and claim meals for reimbursement.

Additionally, each SFA in Wisconsin considering Provision 2 must have a **current and approved *Permanent Agreement/Policy Statement* and an online *School Nutrition Contract***. Prior to a school implementing Provision 2, the SFA must amend its approved Permanent Agreement/Policy Statement, online contract and obtain DPI approval for each of its schools/programs choosing to operate under Provision 2. Consult the USDA [Provision 2 Guidance - National School Lunch and School Breakfast Programs](#) manual for more information.

Contact DPI School Nutrition Team for specific requirements and procedures to determine if the SFA meets the criteria to participate in Provision 2.