



Offering meals free to all children optimizes the impact of switching to an alternative breakfast model. The traditional means-tested school breakfast (in which the meal is free or the child pays, depending on family income) creates a sense among children that the program is just “for poor kids.” This deters participation by children from all income groups, including low-income children who most need the school meal. This is especially problematic in middle and high school as

awareness of the social context grows. By offering breakfast at no charge to all children — and children, of course, are free not to participate — free breakfast for all ends the stigma, boosts participation among hungry children, and eliminates the burden of collecting fees.

Schools and districts can decide between several methods for offering breakfast at no charge, including:

- **Community Eligibility Provision (CEP):** Community eligibility is the newest federal option for serving free meals to all students and reimbursements are based on the percentage of students directly certified for free school meals. Schools using community eligibility must serve breakfast and lunch free of charge to all students and no longer collect school meal applications.
- **Provision 2:** This longstanding federal option is designed to reduce paperwork and simplify the logistics of operating school meals programs. Schools can use Provision 2 to serve free meals for breakfast, lunch, or both, and collect applications once every four years at most. Provision 2 schools serve meals at no charge, and use the significant administrative savings to offset the cost of providing free meals to all students.
- **Nonpricing:** No fees are collected from students, while schools continue to receive federal reimbursements for the meals served under the three-tiered (free, reduced-price, and paid) system. Schools must continue to collect school meal applications each year and count and claim meals as free, reduced-price, or paid.

How do Schools “Break Even” When They Serve Free Breakfast?

Schools with a high percentage of free and reduced-price eligible children are generally able to make up any lost revenue from paid and reduced-price meal fees due to increased participation and resulting economies of scale. The “break-even” point for each school or district is different, however, depending on labor and food costs, school size, and reimbursement amounts. Schools with 70 percent free and reduced-price eligible students generally are able to break even, but some schools with eligibility rates as low as 60 percent can operate a free breakfast in the classroom program within budget.

Alternatively, districts with fewer free and reduced-price eligible students can offer breakfast in the classroom by:

- Charging for the paid and reduced-price breakfasts they serve.
- Serving all students for free by allocating money from the general fund or another source to make up for not collecting fees.

Comparing Options for Serving Free Breakfast¹

	Nonpricing	Provision 2	Community Eligibility Provision
Fees Collected from Students?	No	No	No
Counting and Claiming	Schools must keep track of the number of breakfasts served by fee category (free, reduced-price, or paid).	Schools must keep track of only the total number of meals served.	Schools must keep track of only the total number of meals served.
Applications	Schools must continue to collect school meal applications each year.	Schools offering both free breakfast and lunch only collect school meal applications in year one, the “base year,” and then do not have to collect applications for at least the next three years.	Schools do not have to collect school meals applications. A school, district, or group of schools must have at least 40 percent “identified students” (i.e., students certified for free meals without an application). ²
Reimbursement Levels	Schools continue to receive federal reimbursements for the breakfasts served under the three-tiered (free, reduced-price, and paid) system.	Schools are reimbursed based on the ratio of free, reduced-price, and paid meals served in the “base year” when school meal applications are collected.	Schools are reimbursed by multiplying the percentage of “identified students” by 1.6 to determine the percentage of meals reimbursed at the free rate. The rest of the meals served are reimbursed at the paid rate.
Eligibility	Schools may use nonpricing to serve free breakfasts, but should check with their state agency prior to making the change. Breakfasts are still counted and claimed free, reduced-price, and paid.	Any school may use Provision 2 upon approval by the administering state agency.	Any school, district, or group of schools with 40 percent or more “identified students” may use community eligibility.
Administrative Cost Savings	Staff no longer need to handle payments or track uncollected fees when students can’t afford to pay for breakfast.	Schools serving free breakfast and lunch only have to collect school meal applications, at most, once every four years. Less staff is needed in the cafeteria to track who qualifies for free meals or collect meal charges. Counting and claiming are simplified because staff no longer categorize each meal served by fee category.	Staff members no longer collect, certify, or verify applications. Fewer staff is needed in the cafeteria to track who qualifies for free meals or collect meal charges. Counting and claiming are simplified because staff no longer categorize each meal served by fee category.
Optimal Percentage of Free and Reduced-Price Students	Schools with 70 percent free and reduced-price eligible students can generally break even, but schools with eligibility rates as low as 60 percent can operate a free breakfast in the classroom program within budget by taking advantage of economies of scale.	Schools with 70 percent free and reduced-price eligible students can generally break even offering breakfast through Provision 2. Schools offering both breakfast and lunch generally have slightly higher free and reduced-price percentages.	Schools must have at least 40 percent “identified students” to participate in community eligibility, which equates to about 65 percent free and reduced-price eligible students.

¹Nonpricing cannot be used to offer free lunch to all students unless the school district uses non-federal dollars to address the unpaid school lunch equity requirements. Provision 2 can be used to offer free breakfast or lunch or both to all students. Community Eligibility requires schools to offer free breakfast and lunch to all students.

²The majority of identified students are directly certified through data matching because their households receive SNAP, TANF, or FDIPIR, and in some states and areas, Medicaid benefits. Identified students also include children who are certified for free meals without an application because they are homeless, migrant, enrolled in Head Start, or in foster care.