

PROVISION 2: A CLOSER LOOK

Produced by the San Francisco Unified School District
Student Nutrition and Physical Activity Committee
www.sfusdfood.org

Provision 2 is sometimes recommended as appropriate for the San Francisco Unified School District's school meals program.

What are the facts?

What is Provision 2?

It is a way of receiving reimbursement for federally subsidized meals that is designed to reduce paperwork and increase participation in school meal programs.

How Provision 2 Works

- All meals are served free for 4 years
- Meal applications are collected and students qualified for free or reduced meals only during the first (base) year

- For the next 3 years, only the number of meals served is counted
- Reimbursement is based each month on percentages of free, reduced, and paid meals served during the same month in the base year

For example, if 85% of the meals served in May of the base year were to students qualified as “free”, then 85% of all meals served in May for the next 3 years are reimbursed at the “free” rate.

Who Pays For Provision 2?

“Schools electing this alternative must pay the difference between Federal reimbursement and the cost of providing all meals at no charge. The money to pay for this difference must be from sources other than Federal funds.”

(Source: USDA)

http://www.fns.usda.gov/cnd/Governance/prov-1-2-3/Prov1_2_3_FactSheet.htm

Advantages Of Provision 2

1. REDUCED PAPERWORK

Student Nutrition Services (SNS) can collect meal applications only in the base year, but use the data for 4 years.

Advantages of Provision 2

2. EVERYONE EATS FREE

Every child, whether qualified for reimbursement or not, receives meals at no charge under Provision 2, eliminating the stigma of “who pays, who eats free.”

Advantages of Provision 2

3. IMPROVED BREAKFAST DELIVERY

- Using Provision 2 makes it easier to implement alternative breakfast plans like Grab n Go or Breakfast in the Classroom.
- No need to check the meal eligibility of each student, but simply count the total number of meals served.

However...

SFUSD has only about 54% students who qualify for reimbursable meals; under Provision 2, the district would be required to absorb the cost of providing meals for the other 46% of students.

Provision 2 Is Too Costly For SFUSD!

- Providing free meals to non-qualifying students is only financially feasible in SF if at least 85% of the students qualify.
- Only 9 elementary schools meet the 85% threshold of financial feasibility.

Then why not do Provision 2
in just those 9 schools?

**FACT:
PROVISION 2 CAN RESULT IN
MORE ADMINISTRATIVE WORK,
NOT LESS**

Other school district departments need new data each year for

- tracking standardized test scores
- weighted student formula
- school closure decisions
- grants

FACT: PROVISION 2 CONTAINS HIDDEN COSTS

- The cost of developing a new form to collect student socioeconomic data each year
- The cost to distribute the form, collect the data, and compile it
- The loss of revenue from “paid” meals at Provision 2 schools – over \$42,000 in 05-06 at just the 9 elementary schools with 85%+ students qualified

FACT:

PROVISION 2 IS *NOT* RIGHT

FOR EVERY SCHOOL

“If a school’s enrollment varies by 5% or more from year to year, its base year calculation might not reflect the true student population over time. As a result, Provision 2 may not work for the school.”

(Source: California Food Policy Advocates)

<http://www.breakfastfirst.org/ClassroomBfastHandouts/P2.pdf>

FACT: 5 OF THE 9 SCHOOLS HAVE FLUCTUATING ENROLLMENT

Enrollment varied by more than 5% from the 04-05 school year to the 05-06 year at 5 of the 9 schools which meet the 85% qualified threshold.

- Junipero Serra Elementary - 6.99% enrollment change
- Jean Parker Elementary - 7.14% change
- Daniel Webster Elementary - 17.27% change
- Mission Education Center - 28.24% change
- Chinese Education Center - 52.05% change

These 5 schools are not good candidates for Provision 2

FACT:

**PROVISION 2 IS BEST SUITED FOR
SCHOOL DISTRICTS WITH STABLE
ENROLLMENT**

- SFUSD is losing about 1000 students a year
- Nine schools have been closed in the past 2 years, with more closures and mergers expected
- Student populations will shift at many more schools as some sites are closed and others absorb their students

Then why not do Provision 2 at just the 4 schools with stable populations?

Increased participation from Provision 2 would require increased labor at each school. The added revenue from increased participation is not sufficient to cover the cost of the food, the cost of the meals for the 15% of students not qualified for reimbursement, and the cost of additional labor.

**PROVISION 2 IS NOT
THE *ONLY* WAY
TO FEED MORE KIDS**

Eliminating the Stigma of Free Meals

- Provision 2 can help eliminate the stigma associated with eating school meals, because all students are fed on a non-paying basis, so no one stands out as receiving a “free” meal.
- However, using a Point of Sale (POS) computerized swipe card system to record payment for student meals can accomplish the same goal.

Advantages of POS System

- all students use the same kind of swipe card to pay, so no one knows who is paying and who eats free
- eliminates cash handling
- moves cafeteria lines faster
- allows students to choose a reimbursable meal from the a la carte line
- gives students more time to enjoy their meal
- keeps better records
- improves inventory
- produces more accurate reports
- saves courier service fees and excess bank deposit charges

Another Advantage of POS System

- Helps address cash shortages
- Simplifies process of contacting non-paying students' families

IMPROVE BREAKFAST DELIVERY WITH GRAB N GO

- A Grab n Go Breakfast pilot at Balboa High School during 05-06 resulted in twice as many students participating in the school breakfast program, as compared to the 04-05 school year
- Additional pilot sites for Grab n Go will be implemented in 06-07, along with a pilot POS system

PROVISION 2 vs POS

ADVANTAGES

PROVISION 2

- Eliminates stigma
- Quicker meal delivery
- Easier implementation of Grab n Go

POS SYSTEM

- Eliminates stigma
- Quicker meal delivery
- Easier implementation of Grab n Go
- Better record keeping
- Improved inventory
- Potential to track/reverse cash shortages
- Allows students to choose a reimbursable meal from the a la carte line

PROVISION 2 vs POS DISADVANTAGES

PROVISION 2

- Creates more paperwork for other departments
- Increases other departments' cost of data collection
- Loss of revenue from “paid” meals

POS SYSTEM

- Expensive to purchase

Conclusion

A Point of Sale system is a better fit for the SFUSD than Provision 2