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The Curious Case of No-Charge School Breakfast: How Serving More for Less Pays Off

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Texas school cafeterias served over 300 million breakfasts in the 2011-2012 school year to an average of 1.6 million kids per day across over 8,000 campuses. Yet even with such high numbers, only 60 percent of students receiving free or reduced-priced lunch receive breakfast. The financing of the School Breakfast Program makes it feasible to provide breakfast at no cost to all students in high need schools where at least 80 percent of students are eligible for free or reduced-priced school lunch. No-charge breakfast programs provide a federally funded breakfast at no charge to all students regardless of family income. The benefits of this system are seen by school administrators, parents, teachers, and students. This paper outlines the history of the school breakfast program, its basic rules and regulations, how providing breakfast at no charge works, and the opportunities available to schools implementing the change.

History of the School Breakfast Program

Building on the success of the National School Lunch Program, the School Breakfast Program was authorized as part of the Child Nutrition Act of 1966. During the first few years the program was piloted in low-income and rural areas with the intent of providing breakfast for those students least likely to eat breakfast at home. In 1975 the program was made permanent and available to all schools and quickly expanded across the country, growing from 1.8 million children in 1975 to 3.6 million in 1980. In fiscal year 2011 the program reached 12.1 million children a day nationwide.

How the School Breakfast Program Works

The School Breakfast Program is a federally financed program of the United States Department of Agriculture (USDA), which is implemented at the state level by the Texas Department of Agriculture (TDA). Schools serve and report meal counts to TDA, which then reimburses them based on the type of meal served. There are three levels (free, reduced, and paid) and two categories (severe need and non-severe need) of reimbursements for the program. (See Table 1 for details on these reimbursements.) All meals served by the school must meet the federal nutrition requirements of the program. A reimbursable breakfast must, at a minimum, include: milk, a fruit or vegetable, and two servings of grain, meat, or a combination (See sample breakfast menus in Figure 1, at back).

Table 1

Federal School Breakfast Reimbursement Rates (School Year 2012-13)		
	Severe Need Breakfast Reimbursement*	Non-Severe Need Breakfast Reimbursement
Free	\$1.85	\$1.55
Reduced	\$1.55	\$1.25
Paid	\$0.27	\$0.27

**Schools with 40 percent or more students eligible for free or reduced-priced meals can receive severe need reimbursements*

Students are eligible for free meals if their family income is at or below 130 percent of the poverty line and eligible for reduced-priced meals if their family income is between 131 percent and 185 percent of poverty. Schools are prohibited from charging students qualifying for free breakfast any fees related to meal service and are limited to charging a maximum of \$0.30 for students who qualify for reduced-priced meals. Students above 185 percent are classified as full price. (Table 2 shows income ranges for families to qualify for free or reduced-priced meals.) Prices for full-priced meal (paid) students, which are each subsidized \$0.27 by the USDA, are determined by each school district. Prices are set to meet but not exceed program costs as school nutrition programs must operate as not-for-profit.

Table 2

Household Income Guidelines to Receive Free or Reduced-Priced School Meals (School Year 2012-13)		
	Total Household Income (Annual)	
Number of Household Members	Free	Reduced
1	\$14,521	\$20,665
2	\$19,669	\$27,991
3	\$24,819	\$35,317
4	\$29,965	\$42,643
5	\$35,113	\$49,969
6	\$40,409	\$57,295

The traditional School Breakfast Program requires each family to submit an application annually to certify that their income qualifies them to receive free or reduced-price meals. The application requires each member of the household to report all sources of income including any government benefits such as Social Security, Veteran's Benefits, Supplemental Security

Income, SNAP (formerly known as Food Stamps) and Unemployment Benefits. The school is then responsible for calculating the total family income and determining the student's eligibility for free or reduced-priced meals.

Students can also receive free meals without submitting an application through a process called Direct Certification. TDA provides school districts the names of children who are categorically eligible, meaning they are eligible for school meals based on their household enrollment in either SNAP, TANF (Temporary Assistance to Needy Families), or are part of a head start program, in foster care, or classified as homeless, runaway, or migrant. School districts are required to automatically certify all children on the direct certification lists. This is a valuable process which reduces the time and paperwork required by schools when approving students for free or reduced-price meals. Direct Certification also reduces the likelihood of parents being unable to complete the application because of language or literacy barriers, in addition to reducing the number of applications lost by children to and from school.

The Widespread Benefits of Offering Breakfast at No Charge

Schools have the ability when operating the School Breakfast Program to provide a breakfast service in which meals are served to all students at no charge, regardless of a student's household income. Ensuring all students in the state's highest need schools start the day with breakfast proves beneficial to many including parents, students, teachers, and school administrators. These benefits are already being seen in the 25 percent of Texas schools which have implemented the program.

- For *administrators*, free breakfast for all simplifies operations, allowing them to spend more time on their other duties while also relieving financial burdens that low breakfast participation can create. Administrators report declines in disciplinary office referrals after implementing the program. Many schools which have chosen to serve breakfast in the classroom have also successfully tied it to attendance taking by recording students at the time they receive their breakfast, saving valuable staff time.
- For *teachers*, ensuring that every child has eaten a healthy breakfast, regardless of their income, increases a child's ability to pay attention in class and eases the strain on teachers who often spend valuable instructional time refocusing hungry students. Many teachers feel the need to bring in food for their students who they know have not had breakfast. Providing breakfast to all students relieves teachers of this worry and financial burden.
- *Students* from low-income households benefit from a no charge breakfast for all students because they are no longer stigmatized for eating in the cafeteria before school and are free from the stomach pains resulting from hunger. Research has consistently shown that students of all income levels perform better in school when they are well fed, as it

allows them to focus in class and increases their odds of being successful in their studies.

- *Parents* greatly benefit from breakfast at no charge programs, which can save families a significant amount of money over the course of a year. According to the [Better Texas Family Budgets](#), a conservative estimate of the cost of living for families in the 26 metropolitan statistical areas of Texas, a 2-parent, 2-child family needs an income that is between 220 percent and 280 percent of the federal poverty line to meet basic needs. This income level, above the 185 percent cutoff for reduced-priced meals and well above the 130 percent cutoff for free meals, leaves a large number of families who need additional financial support but are not eligible. For example a family with two children attending school in Dallas ISD would normally pay \$1.25 per child per day for breakfast during the 167 days of a school year. This totals \$417.50 over the year just for breakfast, representing a significant annual expense for families who struggle to afford rent and gas.

Offering Breakfast at No Charge in the School Breakfast Program

When schools choose to implement a no charge breakfast program, they can continue to serve traditional breakfast, in the cafeteria before school begins, however there are several other ways breakfast can be served to further increase participation. These breakfast delivery models, including Breakfast in the Classroom, Breakfast After the Bell, and Grab and Go, will be discussed below. Schools who choose to not charge for breakfast must still comply with all the requirements of collecting applications from students, counting meals as free, reduced, or paid, and submitting reimbursement claims to TDA. Exceptions to these regulations are available to schools with high rates of low-income students. These schools can take advantage of opportunities to reduce reporting requirements including Provision 2 and the soon to be implemented Community Eligibility option.

Financing a No Charge Breakfast Program

Many school food programs operate on a very tight budget. A combination of low reimbursements and low participation keep them struggling to stay solvent, and often require additional support from the general school budget to cover expenses. Providing free breakfast to all students is a way for schools to increase revenues for their food service program and reduces the chance they will need to use the limited resources of the school district. Many schools with high free and reduced-price eligibility currently choose to take advantage of Provision 2. Starting in the 2014-2015 school year the community eligibility option will become available nationwide. Both options allow school districts to simplify the reporting and application process for school breakfast and provide the potential to increase revenues.

Table 3

<p align="center">Provision 2</p>	<p align="center">Community Eligibility (Available in TX starting 2014-2015 school year)</p>
<p>No minimum requirement of percent eligible for free or reduced-priced meals</p>	<p>Schools must have at least 40% of their student population directly certified for free meals</p>
<p>Must serve all children meals at no charge regardless of their household income</p>	<p>Must serve all children meals at no charge regardless of their household income</p>
<p>Schools collect total free, reduced, and paid rates in year one which are then used for the following 3 years</p>	<p>School collects no free, reduced or paid applications, rather their rate is based on their direct certification rate.</p>
<p>Schools receive a constant rate of reimbursement based on their base year enrollment of free, reduced, and paid students, where total reimbursement increases and decreases with overall number of meals served</p>	<p>Schools are reimbursed at the free rate for 1.6 times their direct certification rate. The remainder are reimbursed at the paid rate (e.g. A school with 50% of the student population directly certified would receive the free rate for 80%, [50 x 1.6], of the meals and the paid rate for the remaining 20%)</p>
<p>Schools must continue to count all meals as either free, reduced, or paid in the first year and must only count total meals served in the following 3 years.</p>	<p>Schools only count total meals served, not by free, reduced, or paid</p>
<p>After four years including the base and three years following, schools may apply to continue using the same base rate reimbursements if the socioeconomic conditions in their school have remained the same</p>	<p>The reimbursement rate is guaranteed for four years, and can be recertified at the end of that period</p>

Most schools find Provision 2 advantageous because of its ability to minimize paperwork and maximize revenue. It has a long four year certification period which reduces the frequency of application collection and review. Additionally, Provision 2 allows for the renewal of the current reimbursement rate should the socioeconomic conditions remain the same from when they were originally certified.

Starting in the 2014-2015 school year, Texas will have another financing option available to them called Community Eligibility. This option allows schools to offer every student free meals without collecting applications. Schools will be eligible for this if they have 40 percent or more of their students directly certified. The rate at which a school is reimbursed is set at 1.6 times the direct certification rate. For example if a school is 50 percent directly certified they would be reimbursed at the free rate for 80 percent of the meals and at the paid rate for the remaining 20 percent of the meals served.

Alternative Serving Methods

Implementation of a no charge breakfast program allows for the use of many innovative breakfast delivery models. These are important to consider as often there are participation barriers to the traditional model of breakfast before school in the cafeteria. These can include bus schedules or parents running late and the stigma children often feel about eating breakfast in the cafeteria. As mentioned above alternative serving models which address these issues include Breakfast in the Classroom, Breakfast After the Bell, Grab and Go, as well as many other unique ways schools have customized delivery. These models can be crucial to a successful free breakfast program as they are all designed to get breakfast participation as close to 100 percent as possible.

- **Breakfast in the Classroom** is the most effective and widely used model for a no charge breakfast program. Schools using this model have complete prepackaged breakfasts delivered to classrooms prior to the start of the school day. Students pick up a breakfast as they arrive at their classroom in the morning and take it to their desk. Teachers use the 10-15 minutes it takes to eat to record attendance, make announcements or engage the students in an activity that only requires students listen. After the students finish eating, they wipe down their desks, collect the trash, and leave waste outside the classroom for collection.

In addition to teachers using the meal time for educational purposes such as reading aloud and giving instruction, administrators have also found ways to engage students in the program which encourage the development of responsibility. Principals in some schools have created student worker positions where students interview for the opportunity to assist the school nutrition staff in the mornings by packing coolers with the breakfasts and delivering them to the classrooms before the start of the day. This program teaches students on the job responsibility, while reducing the morning duties of the school nutrition staff.

- **Breakfast After the Bell** is another popular way to provide breakfast at no charge. Using this model students report to the cafeteria at the beginning of the school day where they sit with their class at an assigned table. While the students eat breakfast teachers have the opportunity to take attendance and check in with their students. Once students finish eating the teachers bring their students to the classroom. Schools using this model find this time gives children a small amount of time to socialize before getting to the classroom for instruction leading to a more effective time of instruction. Breakfast After the Bell can also be served during a mid-morning break from instructional time. This gives students a chance to not only eat but also to take a break from instruction to be more focused once class resumes.

- Grab and Go** is another model schools have chosen to use when offering free breakfast. This is most commonly done in two ways. Students who ride the bus to school pick up a complete meal as they get on the bus and are finished when they arrive at school. Complete prepackaged meals are also available from carts on the school campus for those students who do not ride the bus. This allows any student who wishes to eat a chance to do so. The downside to using a Grab and Go model is that participation often lags behind the previous two models, which get close to 100 percent participation, causing school food service programs to miss out on revenues which cover their fixed costs.

**Financial Success from
No Charge Breakfast in Hutto ISD**

Hutto ISD saw significant financial gains from implementing a free breakfast program. During the 2007-2008 school year, prior to implementing this program, Hutto ISD's Cottonwood Creek Elementary (51 percent Free or Reduced-Priced Eligible) was serving approximately 30 percent of their student population breakfast and had a deficit of \$11,752 from the breakfast program for the year. In the 2012-2013 school year, after having implemented no charge breakfast, they have increased participation to 40 percent of enrolled students and project ending the school year with a budget surplus of \$5,570. (See Appendix A for full financial breakdown)

**Hutto ISD's:
Cottonwood
Creek
Elementary
School**

***Pre no charge
breakfast:***

30 percent
Participation
\$11,754 Deficit

***After no charge
breakfast:***

40 percent
Participation
\$5,570 Surplus

Addressing the Challenges of the Implementation

Providing breakfast at no charge to all students, with its numerous advantages, can also include several hurdles in implementation, including concern from parents who argue the program is wasteful and encouraged overeating. However, school districts have been more successful, financially and with community buy in, when the program is implemented only on high need campuses or where there is strong parental support.

In addition to parents, school administrators have also faced challenges from teachers, nutrition directors, and building engineers. Schools that have had the best response from these three parties included them in the planning and implementation phase. Administrators that listened to feedback and addressed concerns of their staff found much greater support and excitement for the program. Districts and campuses which discuss concerns prior to implementation found it much easier to find solutions which address potential issues foreseen by all parties involved.

Current Breakfast Law in Texas

The 1995 Texas Legislature passed a bill which requires breakfast to be served in all schools where the student population is 10 percent or more eligible for free or reduced-priced school meals. This legislation has been instrumental in providing access to the school breakfast program in Texas and has placed our state near the top of the list of states for participation. However Texas still only serves about 60 percent of the students who are receiving a free or reduced-priced lunch.

Proposed Breakfast Legislation

Legislation has been filed in both the Texas House and Senate which will require school campuses with 80 percent or more of their students eligible for free or reduced-priced meals to offer breakfast to all students at no charge. The legislation allows schools to choose the delivery model which best suits their campus.

Breakfast isn't a partisan issue. In both Republican led states such as New Mexico, Florida, Arkansas and Democratic led states such as Massachusetts, Maryland, and the District of Columbia, no charge breakfast programs have been supported through legislation or additional state funding. The leadership of these states agree that assuring students are fed in the morning benefits the state in both fighting food insecurity and improving educational outcomes.

If the proposed legislation were passed in Texas the effects would be dramatic, as it is estimated that if every school with 80 percent or more of its student qualifying for free or reduced-priced meals were to offer breakfast at no charge, an additional 731,000 students would be guaranteed a nutritious start to their school day. In addition to a significant increase in participation, Texas would increase the amount of federal funds going to local Texas schools by \$203 million, easing demands on school budgets.

For more information or to request an interview, please contact Brian Stephens at stephens@cphp.org or 512.823.2871.

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