



**NORTH CAROLINA**  
State Board of Education  
Department of Public Instruction

---

# Report to the North Carolina General Assembly

---

CEP Meal Program Incentive Report

*H259 – 2023 Appropriations Act*

*S.L. 2023 – 134, sec.7.59(g)*

---

**Date Due: ---August 1, 2025**  
DPI Chronological Schedule, 2024-2025

# STATE BOARD OF EDUCATION

## STATE BOARD OF EDUCATION VISION

Every public school student in North Carolina will be empowered to accept academic challenges, prepared to pursue their chosen path after graduating high school, and encouraged to become lifelong learners with the capacity to engage in a globally-collaborative society.

## STATE BOARD OF EDUCATION MISSION

The mission of the North Carolina State Board of Education is to use its constitutional authority to guard and maintain the right of a sound, basic education for every child in North Carolina Public Schools.

**ERIC DAVIS, Chair**  
Charlotte – At-Large

**JILL CAMNITZ**  
Greenville – Northeast Region

**JOHN BLACKBURN**  
Linville – Northwest Region

**ALAN DUNCAN, Vice Chair**  
Greensboro – Piedmont-Triad Region

**REGINALD KENAN**  
Rose Hill – Southeast Region

**DONNA TIPTON-ROGERS**  
Brasstown – Western Region

**RACHEL HUNT, Lieutenant Governor**  
Charlotte – Ex Officio

**VACANT**  
North Central Region

**J. WENDELL HALL**  
Ahoskie – At-Large

**BRAD BRINER, State Treasurer**  
Chapel Hill – Ex Officio

**OLIVIA OXENDINE**  
Pinehurst – Sandhills Region

**CATTY MOORE**  
Monroe – At-Large

**MAURICE "MO" GREEN, Superintendent**  
Greensboro – Secretary to the Board

**VACANT**  
Southwest Region

The above State Board of Education information is a record of the board members at the time of this document's approval for publication. For the current list of State Board Members, Vision and Mission Statements, go to [www.dpi.nc.gov/about-dpi/state-board-education](http://www.dpi.nc.gov/about-dpi/state-board-education).

## NC DEPARTMENT OF PUBLIC INSTRUCTION

**Maurice "Mo" Green, State Superintendent / 301 N. Wilmington Street, Raleigh, North Carolina 27601**

In compliance with federal law, the NC Department of Public Instruction administers all state-operated educational programs, employment activities and admissions without discrimination because of race, religion, national or ethnic origin, color, age, military service, disability, or gender, except where exemption is appropriate and allowed by law.

**Inquiries or complaints regarding discrimination issues should be directed to:**

Thomas Tomberlin, Senior Director, Educator Preparation, Licensure, and Performance, NCDPI  
6301 Mail Service Center, Raleigh, NC 27699-6301 / Phone: (984) 236-2114

Visit us on the Web: [www.dpi.nc.gov](http://www.dpi.nc.gov)

## **H 259-2023 Appropriations ACT, SL 2023 – 134**

### *CEP Meal Incentive Program*

Section 7.59 of S.L. 2023 – 134 required the North Carolina Department of Public (NCDPI) to establish the Community Eligibility Provision Meal Program Incentive for the 2024 – 2025 fiscal biennium to expand public school participation in the Federally assisted Community Eligibility Provision (CEP) to increase the number of students with access to healthy school meals, including breakfast and lunch, at no cost to students. The incentive program is to be available to eligible public school units for the 2024 –2025 fiscal year.

This report provides information on program activities for the 2023-2024 fiscal year. Since no schools were participating in the program during that fiscal year, this report will provide information on NCDPI activities to establish and launch the program.

### *FY 2023-2024 CEP Meal Incentive Program Activities*

In accordance with Session Law, a public school unit was considered eligible to participate in the incentive program if the school qualified for the CEP but did not participate in the CEP during the 2023 – 2024 fiscal year. The NCDPI developed an application process that included all elements established in Session Law, including the name of the school, the Identified Student Percentage (ISP) for the school for the 2024 – 2025 school year, the projected number of students enrolled in the school for the 2024 – 2025 school year and meal participation rates for breakfast and lunch for the 2023 – 2024 school year. The application enabled the public school units to apply for their eligible school sites to be considered for the meal incentive program. Public school units submitted applications in a timely manner, and the applications were reviewed by the Office of School Nutrition. Data submitted on the application was verified for accuracy using the School Nutrition Technology System, which is the authoritative source for School Nutrition data elements.

Schools were selected for participation in the pilot program in collaboration with the public school units. Public school units were required to make decisions concerning the grouping of eligible schools in order to generate maximum Federal funds from the CEP. Consistent with Session Law, the Office of School Nutrition prioritized the award of CEP Meal Incentive Grant funds to schools with an Identified Student Percentage (ISP) greater than 55%, followed by schools that would draw the greatest amount of Federal CEP funds. Any school selected for the meal incentive program was required to offer innovative breakfast options, including breakfast after the bell and where possible, in the classroom. Grant funds are intended to provide State funding reimbursement that is not funded by Federal school nutrition funds.

Based on the criteria established in Session Law, 157 schools were deemed eligible to utilize the CEP Meal Incentive Program funds in SY 2024 – 2025. All schools are currently participating in the program for SY 2024-2025. It is estimated that 48,550 students enrolled in the 157 participating schools who were classified as eligible for paid meals, are now eligible to receive breakfast and lunch meals at school at no cost to the student.

Since no schools were participating in the program for FY 2023-2024, NCDPI is not able to report fully on the program information requested in S.L. 2023-134, Sec. 7.59(g). NCDPI will provide that information on the participating schools for FY 2024-2025 in the January 2026 program report to the Joint Legislative Education Oversight Committee.

Additionally, the \$500,000 non-recurring funds appropriated to the NCDPI for administrative costs to manage the incentive program were not used. The greatest need for these funds was to improve our school nutrition technology system to disburse these funds without the need to manage the disbursement of these funds manually. All enhancement requests must be provided to the software company that manages the school nutrition technology system the fiscal year prior to the needed software change. The process to obtain an enhancement to the school nutrition technology system begins with an analysis and design session to determine the cost of the enhancement the fiscal year prior to when the software enhancement is needed. After the cost of the enhancement is determined and a quote is obtained, the contract can be amended between NCDPI and the software company for the enhancement request to be ordered for the following fiscal year. Due to the one-time allocation and the timeline provided for this one-time allocation, the Office of School Nutrition was not able to successfully complete this process to update the technology system to allow for automated disbursements of these funds. However, the Office of School Nutrition will still need to make the needed enhancements to the technology system in order to more efficiently manage the disbursement of these funds. NCDPI anticipates the need for non-recurring funding in the near future to meet this need.

#### *Recommendation*

Due to the federal requirements for processing reimbursements for meals served to students, the Office of School Nutrition has only completed two disbursements of the CEP incentive funds for FY 2024-2025 and will not be able to finish the disbursement of these funds until September 2025. **Due to that, NCDPI is requesting the ability to carryover FY 2024-2025 funding for the CEP Meal Incentive Program to FY 2025-2026 in order to complete the disbursement of funds for the FY 2023-2024 program.**