



2025-2026 General Assembly

SENATE BILL 257: 2026 Appropriations Act, Sec. 7.21: Community Eligibility Provision Timeline Shift and Clarify Breakfast Location

Analysis of: S.L. 2026-41, Sec. 7.21

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Section 7.21 of S.L. 2026-41 (Senate Bill 257) codifies the CEP Meal Incentive Program (Program) which expands public school participation in the federal Community Eligibility Provision (CEP) program by providing grants to supplement federal funds.

This section adjusts the timeline for eligible public school units (PSUs) to apply for the Program from March 1 to June 1 of each year. This section also requires participating PSUs to make an innovative breakfast option available that allows students to access and consume breakfast in the classroom.

In each year where funds are available, the Department of Public Instruction (DPI) must administer the Program as follows:

- **Application** – DPI must develop and make an application for the Program available by April 15 of each year of the Program to eligible PSUs. Eligible PSUs must submit applications by June 1. The application must include (i) the school or schools that will participate in the federal CEP program; (ii) the Identified Student Percentage (ISP) for the current school year; (iii) the number of students enrolled for the current school year; and (iv) the participation rates in the National School Breakfast and Lunch programs for the current school year for the schools requesting to receive the incentive.
- **Selection** – By July 15 of each year of the Program, DPI must determine applicant eligibility for participation and award grants to eligible PSUs. If funds are insufficient to award grants to all eligible PSUs, DPI must award grants in accordance with the following priorities: (i) first, DPI must award grants to PSUs with an ISP of greater than or equal to 55%, and (ii) second, DPI must award grants to the schools that will draw the greatest federal match.
- **Grants** – DPI must issue State reimbursements to participating units equal to the difference between the federal free rate and the federal paid rate for the number of meals served at the participating schools equal to a 0.2 multiplier of the ISP for participating schools. State and federal reimbursements cannot exceed 100% of the federal free rate of meals served.
- **Breakfast Location** – Schools receiving grant funds must make an innovative breakfast option available that allows students to access and consume breakfast in the classroom.
- **Nonsupplant Requirement** – Incentive funds must be used to supplement and not supplant local current expense funds.
- **Report** – By January 1 of each year of the Program, DPI must report to the Joint Legislative Education Oversight Committee and the Fiscal Research Division on the following information:
 - The number of participating schools.

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- The number of students who received free meals who would not have otherwise received free meals.
- The amount of federal and State money received by the participating units.
- Any increase in student success due to the school's participation in the Program.
- **Administration** – DPI can use up to \$500,000 of the funds appropriated for the Program for administrative costs.

This section became effective July 1, 2026.