

HB 3435 -1 STAFF MEASURE SUMMARY

House Committee On Education

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/24, 3/10

WHAT THE MEASURE DOES:

The measure requires school districts to provide school lunches and breakfast to all students at no cost beginning in the 2026-2027 school year. The measure provides a transition period for the 2025-2026 school year. The measure appropriates \$4 million from the General Fund to the Oregon Department of Education to pay for costs incurred by parents or guardians before the effective date and assisting school districts to purchase or upgrade equipment necessary to comply with this measure. The measure declares an emergency and becomes effective on July 1, 2025.

Fiscal impact: May have fiscal impact, but no statement yet issued.

Revenue impact: May have revenue impact, but no statement yet issued.

2025-2026 Transition Period

- Requires school districts that do not offer reimbursable breakfasts or lunches to offer lunches at no charge and offer breakfast at no charge for students from households that do not exceed 300 percent of the federal poverty guidelines. Allows districts to provide lunches and breakfasts at no charge to all students.
- Requires ODE to apply for statewide participation in federal programs and projects to expand the availability of free or reduced price meals.
- Modifies the reimbursement for schools districts electing to not provide reimbursable meals to be equal to the difference between the rate established by the US Department of Agriculture, and any amounts reimbursed or paid by the state, federal or other sources.

Permanent changes

- Requires schools or school districts that meet the eligibility requirements of the special provisions of the National School Lunch Program or School Breakfast Program to apply to ODE to offer reimbursable breakfasts, lunches, or both at no charge.
- For districts that do not offer reimbursable breakfasts or lunches, requires school districts to ensure each school offers lunch and breakfast at no charge.
- Requires ODE to provide reimbursement to schools districts for meals that meet the stricter of federal nutrition requirements for school lunch and breakfast programs to not exceed the difference between the rate established by the USDA and all other sources.
- Allows the Oregon Department of Education to exempt school districts from requiring lunches and breakfast at no costs if it would create a financial hardship for the school.

Funding

- Appropriates \$4 million from the General Fund to the Department of education to pay for costs by parents or guardians for costs incurred before the effective date and assisting school districts to purchase or upgrade equipment necessary to comply with this act.
- Declares an emergency and takes effect on July 1, 2025.

ISSUES DISCUSSED:

- Excess food from the meal program

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- Impacts on students learning and success
- Rural access to school meals

EFFECT OF AMENDMENT:

-1 The amendment allows school districts to require breakfast to be offered at no charge to students regardless of whether the school participates in the school breakfast program codified in ORS 327.535. The amendment allows the State Board of Education to exempt schools by rule that do not offer breakfast or lunch at traditional service times. Beginning in the 2026-2027 school year, the amendment modifies the exemption for school districts with financial hardships to require that schools offer breakfast and lunch at no cost to students from households that do not exceed 300 percent of the federal poverty guidelines.

BACKGROUND:

The Student Success Act, [House Bill 3427 \(2019\)](#), created the Hunger Free Schools Account in the State Treasury. The Oregon Department of Education (ODE) can use the account to reimburse eligible school districts for the costs of offering breakfast and lunch free of charge; eligible districts include both those that are eligible to provide meals to all students under federal law, and those that are not federally eligible but provide meals to students from households up to 300 percent of the poverty line. That second group of districts is reimbursed by the Oregon Expanded Income Eligibility Group (EIG) Reimbursement Program, which is entirely state funded. [House Bill 2536 \(2021\)](#) required school districts in Oregon that are eligible to offer meals to all students at no charge under the National School Lunch Program to do so.

From 2020 to 2022, the [U.S. Department of Agriculture Food and Nutrition Service](#) issued waivers for child nutrition programs, including school meals, to allow programs to continue providing access to food during the COVID-19 pandemic. The Oregon Department of Education also published resources on the state and national guidance on child nutrition programs in Oregon as a result of the COVID-19 pandemic. Together, these policies enabled many schools to offer universal school meals until the modified guidance expired in August 2022.