



Legislative Fiscal Office
 83rd Oregon Legislative Assembly
 2025 Regular Session

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Bill Title: Relating to school meals; declaring an emergency.

Government Unit(s) Affected: Department of Education, School Districts

Summary of Fiscal Impact

2025-27 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Department of Education	\$ 5,000,584	\$ -	\$ -	\$ -	\$ 5,000,584	6	3.89
Total Fiscal Impact	\$ 5,000,584	\$ -	\$ -	\$ -	\$ 5,000,584	6	3.89

2027-29 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Department of Education	\$ 1,035,382	\$ -	\$ -	\$ -	\$ 1,035,382	4	4.00
Total Fiscal Impact	\$ 1,035,382	\$ -	\$ -	\$ -	\$ 1,035,382	4	4.00

Measure Description

The measure requires school districts to provide breakfast and school lunches to all students at no cost beginning in the 2026-27 school year. Prior to that, the measure provides a transition period for the 2025-26 school year.

During that transition period, if a school district does not offer reimbursable breakfasts or lunches, the school district may require breakfast and lunch to be offered at no charge to students. If a school district does not offer reimbursable breakfasts or lunches and does not require breakfast and lunch to be offered at no charge to students, they must offer breakfast and lunch at no charge for students from households that do not exceed 300 percent of the federal poverty guidelines. The measure requires the Oregon Department of Education (ODE) to apply for statewide participation in federal programs and projects to expand the availability of free or reduced-price meals. The measure modifies the reimbursement for school districts electing not to provide reimbursable meals to be equal to the difference between the rate established by the US Department of Agriculture (USDA) and any amounts reimbursed or paid by state, federal, or other sources.

Beginning in 2026-27 school year, schools or school districts that meet the eligibility requirements of the special provisions of the National School Lunch Program or School Breakfast Program must apply to ODE to offer reimbursable breakfasts, lunches, or both at no charge. If a school district does not offer reimbursable breakfasts or lunches, the school district must ensure each school offers lunch and breakfast at no charge. The measure requires ODE to provide reimbursement to school 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 USDA and all other sources. The measure allows ODE to exempt school districts from requiring lunches and breakfast at no costs if it would create a financial hardship for the school. The measure 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.

The measure appropriates \$4 million General Fund to ODE in the 2025-27 biennium to pay for costs incurred by parents or guardians before the effective date and to assist school districts to purchase or upgrade equipment.

Fiscal Analysis

The measure creates new additional work for ODE, including administering and distributing debt repayment and equipment grants; developing, monitoring, and evaluating financial hardship waivers; monitoring compliance with state regulations that differ from federal regulations for child nutrition programs; and administering and distributing state and federal funds for meal reimbursements.

To handle this increase in workload, ODE will need six positions (3.89 FTE), including:

- One permanent, full-time Program Analyst 2 (PA2) to develop administrative rules, create a financial hardship waiver procedure, evaluate waiver requests, maintain a database of approved waiver requests, monitor sites as waivers expire and conduct outreach, develop a system to identify paid meal debt, and create a grant program for meal debt repayment and equipment.
- Two limited duration, full-time PA2 positions to assist with developing and implementing these new program requirements, which will be phased out at the close of the 2025-27 biennium.
- Three permanent, full-time Child Nutrition Specialist positions to monitor compliance with state regulations that differ from federal regulations for child nutrition programs, create separate meal pattern review documents, conduct annual trainings and outreach, review sponsor menus, determine the consequence of noncompliance with state regulations, conduct program reporting, and provide technical assistance to school sites.

The total estimated cost of these positions, including position-related services and supplies, is \$1 million General Fund in the 2025-27 and 2027-29 biennia.

The measure also appropriates \$4 million General Fund to ODE to provide special payments for debt repayment and equipment grants to school districts. This appropriation is assumed to be one-time only. ODE will need to collect data from school districts on unpaid meal charges to provide funding to cover these debts. This information is not currently collected or validated by ODE, and it is unclear how this allocation will be divided between debt repayment and equipment grants.

The total estimated fiscal impact to ODE is \$5 million General Fund in the 2025-27 biennium and \$1 million General Fund in the 2027-29 biennium.

The anticipated impact to school districts is indeterminate. While ODE estimates that approximately 1,116 of out of approximately 1,200 school sites are above the 25% free and reduced-price eligibility threshold that will be required to serve breakfast and lunch, it is unknown how many of these sites would also be able to claim a financial hardship exemption. To meet the requirements of the measure, impacted school districts may have to redirect current operational funding to offer free breakfast and lunch to students. If passed, the fiscal impact of this measure should be reviewed by the Joint Committee on Ways and Means Subcommittee on Education during the 2027 session.

Relevant Dates

The measure declares an emergency and takes effect on July 1, 2025.

The permanent changes in sections 3 through 5 of the measure become operative on July 1, 2026, and first apply to the 2026-27 school year.