

House Bill 3435

Sponsored by Representatives NERON, PHAM H, JAVADI, Senator REYNOLDS; Representative HUDSON, Senator MEEK

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: Makes school meals available at no cost. (Flesch Readability Score: 75.5).

Phases in the requirement that school districts offer lunch and breakfast to students at no charge, regardless of household income.

Requires school districts that make breakfast accessible at a school site to make breakfast accessible at the school site after the beginning of the day. Provides exceptions.

Prescribes nutrition standards for reimbursable meals that are paid for by state sources.

Directs the Department of Education to apply for statewide participation in federal programs and projects that expand the availability of free or reduced price meals.

Appropriates moneys to the Department of Education from the General Fund for the purposes of paying any costs owed by parents or guardians for costs previously incurred for a reimbursable meal and assisting school districts in purchasing or upgrading equipment necessary to comply with the expanded provision of free lunches and breakfasts.

Declares an emergency, effective July 1, 2025.

A BILL FOR AN ACT

1
2 Relating to school meals; creating new provisions; amending ORS 327.531, 327.535 and 327.545; and
3 declaring an emergency.

4 Whereas during the COVID-19 pandemic, the provision of school meals at no cost was widely
5 used by students and supported by parents, teachers, administrators and school nutrition profes-
6 sionals; and

7 Whereas school meals at no cost in this state resulted in improved academic and social out-
8 comes, attendance and health outcomes while reducing food insecurity and behavioral discipline
9 rates; and

10 Whereas more than 98 percent of schools in this state that are eligible to serve school meals
11 at no cost have opted to do so; and

12 Whereas compared to the free and reduced price meal model, school meals at no cost reduce
13 administrative costs and overhead and result in investing in higher quality ingredients, preparation
14 and service; and

15 Whereas Oregon currently reimburses many participating schools through the Community El-
16 igibility Provision Incentive Reimbursement Program at only 90 percent of the federal reimburse-
17 ment rate, resulting in reduced meal quality and lower worker pay; and

18 Whereas the most effective strategies to reduce food waste are to serve higher quality meals
19 that students want to eat and to ensure that students have ample time to eat the food they are
20 served; and

21 Whereas universal meal programs remove the stigma of school meals and often result in more
22 meals being served; and

23 Whereas additional meals being served can result in longer meal service times, less seat time
24 for students and more food waste; and

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 Whereas ensuring that schools have the equipment to implement universal meal programs en-
 2 sures that students are served quickly and have time to eat and reduces food waste; and

3 Whereas nonprofit school meal programs have limited grant options for equipment improvements
 4 that would result in more scratch cooking, quicker meal service, better meals and longer seat time;
 5 and

6 Whereas the 2012 nutrition standards for school meals promulgated by the United States De-
 7 partment of Agriculture were estimated to save up to \$792 million in health care related costs over
 8 10 years; now, therefore,

9 **Be It Enacted by the People of the State of Oregon:**

10 **SECTION 1.** ORS 327.531 is amended to read:

11 327.531. (1)(a) A school or school district that meets the eligibility requirements of the special
 12 provisions of the United States Department of Agriculture’s National School Lunch Program or
 13 School Breakfast Program may **apply to the Department of Education** to offer reimbursable
 14 breakfasts, lunches or both at no charge and without consideration of individual eligibility [*by ap-
 15 plying to the Department of Education*].

16 (b) If the school or school district is approved under paragraph (a) of this subsection, the school
 17 or school district must offer breakfasts, lunches or both to all students of the school or school dis-
 18 trict at no charge to the student.

19 (c) For each breakfast or lunch that a school or school district provides at no charge as de-
 20 scribed in this subsection, the Department of Education shall provide reimbursement pursuant to
 21 ORS 327.545 (2).

22 (2)(a) If a school or school district does not offer reimbursable breakfasts or lunches as de-
 23 scribed in subsection (1) of this section, the school district:

24 **(A) May ensure that each school of the school district:**

25 **(i) Offers lunch at no charge to students.**

26 **(ii) Offers breakfast at no charge to students, if breakfast must be offered pursuant to
 27 ORS 327.535.**

28 **(B) If the school district does not elect to provide breakfast and lunch as described in
 29 subparagraph (A) of this paragraph,** must ensure that each school of the school district:

30 [(A)] **(i) Offers lunch at no charge to students from households with incomes that do not exceed
 31 300 percent of the federal poverty guidelines.**

32 [(B)] **(ii) Offers breakfast at no charge to students from households with incomes that do not
 33 exceed 300 percent of the federal poverty guidelines, if breakfast must be offered pursuant to ORS
 34 327.535.**

35 (b) For each breakfast or lunch that a school or school district provides at no charge as de-
 36 scribed in this subsection, the Department of Education shall provide reimbursement pursuant to
 37 ORS 327.545 (3).

38 (3) Notwithstanding subsections (1) and (2) of this section, a school or school district is not re-
 39 quired to provide breakfast or lunch at no charge to students if:

40 **(a) The Department of Education has insufficient funds to provide reimbursement pursuant to
 41 ORS 327.545 (2) or (3). The State Board of Education shall adopt rules that describe:**

42 [(a)] **(A) The method for determining when the department has insufficient funds;**

43 [(b)] **(B) The content and timing of the notice to be provided to school districts when the de-
 44 partment determines that the department has insufficient funds; and**

45 [(c)] **(C) The procedures the school or school district must follow upon receiving notice of in-**

1 sufficient funds.

2 **(b) The Department of Education determines, based on criteria established by the State**
 3 **Board of Education by rule, that providing breakfast or lunch at no charge to students would**
 4 **create a financial hardship for the school or school district due to changes in federal law**
 5 **related to eligibility requirements for providing reimbursable breakfast and lunch at no**
 6 **charge to all students without consideration of individual eligibility for free or reduced price**
 7 **meals.**

8 **(4) To the greatest extent practicable, the Department of Education shall apply for**
 9 **statewide participation in federal programs and projects that expand the availability of free**
 10 **or reduced price meals for the students of this state.**

11 **SECTION 2.** ORS 327.545 is amended to read:

12 327.545. (1) For school districts with schools that provide United States Department of Agricul-
 13 ture reimbursable meals to students as described in ORS 327.531 and 327.535, the Department of
 14 Education shall reimburse the school districts for costs incurred by the school districts in providing
 15 the meals. The amounts of the reimbursements may not exceed the amounts prescribed by sub-
 16 sections (2) and (3) of this section.

17 (2) For schools that offer reimbursable breakfast and lunch at no charge to all students of the
 18 school without consideration of individual eligibility for free or reduced price meals as described in
 19 ORS 327.531 (1), the amount of reimbursements provided under this section may not exceed the dif-
 20 ference between:

21 (a) The free reimbursement rate established by the United States Department of Agriculture for
 22 reimbursable meals; and

23 (b) Any amounts otherwise reimbursed or paid by state, federal or other sources.

24 (3) For schools that offer reimbursable breakfast and lunch at no charge to students [*from*
 25 *households with incomes that do not exceed 300 percent of the federal poverty guidelines*] as described
 26 in ORS 327.531 (2), the amount of reimbursements provided under this section [*may not exceed*] **shall**
 27 **equal** the difference between:

28 (a) The free reimbursement rate established by the United States Department of Agriculture for
 29 reimbursable meals; and

30 (b) Any amounts otherwise reimbursed or paid by state, federal or other sources.

31 (4) The State Board of Education may adopt any rules necessary for making reimbursements
 32 under this section.

33 **SECTION 3.** ORS 327.531, as amended by section 1 of this 2025 Act, is amended to read:

34 327.531. (1)(a) A school or school district that meets the eligibility requirements of the special
 35 provisions of the United States Department of Agriculture’s National School Lunch Program or
 36 School Breakfast Program [*may*] **must** apply to the Department of Education to offer reimbursable
 37 breakfasts, lunches or both at no charge and without consideration of individual eligibility.

38 (b) If the school or school district is approved under paragraph (a) of this subsection, the school
 39 or school district must offer breakfasts, lunches or both to all students of the school or school dis-
 40 trict at no charge to the student.

41 (c) For each breakfast or lunch that a school or school district provides at no charge as de-
 42 scribed in this subsection, the Department of Education shall provide reimbursement pursuant to
 43 ORS 327.545 (2).

44 (2)(a) If a school or school district does not offer reimbursable breakfasts or lunches as de-
 45 scribed in subsection (1) of this section, the school district[:]

1 [(A) *May*] **must** ensure that each school of the school district:

2 [(i)] **(A)** Offers lunch at no charge to students.

3 [(ii)] **(B)** Offers breakfast at no charge to students, if breakfast must be offered pursuant to ORS
4 327.535.

5 [(B) *If the school district does not elect to provide breakfast and lunch as described in subpara-*
6 *graph (A) of this paragraph, must ensure that each school of the school district:]*

7 [(i) *Offers lunch at no charge to students from households with incomes that do not exceed 300*
8 *percent of the federal poverty guidelines.*]

9 [(ii) *Offers breakfast at no charge to students from households with incomes that do not exceed 300*
10 *percent of the federal poverty guidelines, if breakfast must be offered pursuant to ORS 327.535.*]

11 (b) For each breakfast or lunch that a school or school district provides at no charge as de-
12 scribed in this subsection, the Department of Education shall provide reimbursement pursuant to
13 ORS 327.545 (3).

14 (3) Notwithstanding subsections (1) and (2) of this section, a school or school district is not re-
15 quired to provide breakfast or lunch at no charge to students if:

16 (a) The Department of Education has insufficient funds to provide reimbursement pursuant to
17 ORS 327.545 (2) or (3). The State Board of Education shall adopt rules that describe:

18 (A) The method for determining when the department has insufficient funds;

19 (B) The content and timing of the notice to be provided to school districts when the department
20 determines that the department has insufficient funds; and

21 (C) The procedures the school or school district must follow upon receiving notice of insufficient
22 funds.

23 (b) The Department of Education determines, based on criteria established by the State Board
24 of Education by rule, that providing breakfast or lunch at no charge to students would create a fi-
25 nancial hardship for the school or school district due to changes in federal law related to eligibility
26 requirements for providing reimbursable breakfast and lunch at no charge to all students without
27 consideration of individual eligibility for free or reduced price meals.

28 (4) To the greatest extent practicable, the Department of Education shall apply for statewide
29 participation in federal programs and projects that expand the availability of free or reduced price
30 meals for the students of this state.

31 **SECTION 4.** ORS 327.535 is amended to read:

32 327.535. (1) As used in this section, “eligible student” means a student who is eligible for free
33 or reduced price meals under the United States Department of Agriculture’s National School Lunch
34 Program or School Breakfast Program.

35 (2) A school district may make breakfast accessible at any school site and shall make breakfast
36 accessible if required by this section.

37 (3) Subject to [*subsections (4) and (5)*] **subsection (4)** of this section, a school district that pro-
38 vides lunch at any school site shall make breakfast accessible as part of a breakfast program if 25
39 percent or more of the students at the school site are eligible students or the school site qualifies
40 for assistance under Chapter I of Title I of the federal Elementary and Secondary Education Act
41 of 1965.

42 (4) A school district that makes breakfast accessible as provided under subsection (3) of this
43 section may apply to the Department of Education for a waiver for all or for particular grade levels
44 if the school district is financially unable to implement a breakfast program. The department may
45 grant a waiver to the school district for a period not to exceed two years, after which the school

1 district must reestablish its claim of financial hardship if the waiver is to be extended.

2 [(5) *If the per meal federal reimbursement for the breakfast program falls below the 1991 re-*
 3 *imbursement levels, a school district may elect to discontinue the program until federal funding is re-*
 4 *stored to those levels. No waiver is required for such election.*]

5 [(6)] (5) A school district that makes breakfast accessible at any school site shall make breakfast
 6 accessible at that school site at no charge as provided by ORS 327.531 (1) or (2). The department
 7 shall provide reimbursement to the school district for each breakfast provided at no charge as pro-
 8 vided by ORS 327.545.

9 [(7)(a)] (6)(a) Except as provided by [subsection (8) of this section] **paragraph (e) of this sub-**
 10 **section**, a school district that makes breakfast accessible at a school site [may choose to] **must**
 11 make breakfast accessible at that school site after the beginning of the school day.

12 (b) Time spent by students consuming breakfast is considered instructional time when students
 13 consume breakfast in the students' classroom and instruction is being provided while students are
 14 consuming breakfast. No more than 15 minutes may be considered instructional time when students
 15 are consuming breakfast.

16 [(8)(a) *If 70 percent or more of the students at a school site are eligible students, the school district*
 17 *must make breakfast accessible at that school site after the beginning of the school day.*]

18 [(b)] (c) A school district that [is required to make breakfast accessible as prescribed by para-
 19 graph (a) of this subsection] **makes breakfast accessible** must ensure that breakfast is:

20 (A) Accessible to all students after the beginning of the school day, regardless of grade or ar-
 21 rival time; and

22 (B) Provided at no charge to all students[, *regardless of whether a student is an eligible*
 23 *student*].

24 [(c)] (d) The department shall provide technical assistance to school districts to meet the re-
 25 quirements of this subsection. Technical assistance may include the development of breakfast de-
 26 livery models.

27 [(d)] (e) [Notwithstanding paragraph (a) of this subsection,] If a school district can demonstrate
 28 that 70 percent or more of the [eligible] students at a school site **who regularly receive lunch at**
 29 **the school site also** regularly receive breakfast at the school site without the school district com-
 30 plying with paragraph (a) of this subsection, the school district is not required to comply with par-
 31 agraph (a) of this subsection.

32 [(9)(a)] (7)(a) The department may award grants or enter into contracts to enable school dis-
 33 tricts to make breakfast accessible as required under subsection [(8)] (6) of this section. Each grant
 34 or contract may not exceed \$5,000 per school site and must be used to purchase or upgrade neces-
 35 sary equipment required to provide breakfast after the beginning of the school day.

36 (b) The department may enter into a contract with a public or private entity for the purposes
 37 of the entity providing:

38 (A) Technical assistance to applicants for and recipients of grants; and

39 (B) Administration of the grant program.

40 [(10)] (8) The State Board of Education may adopt any rules necessary for the implementation
 41 of this section.

42 **SECTION 5.** ORS 327.545, as amended by section 2 of this 2025 Act, is amended to read:

43 327.545. (1) For school districts with schools that provide United States Department of Agricul-
 44 ture reimbursable meals to students as described in ORS 327.531 and 327.535, the Department of
 45 Education shall reimburse the school districts for costs incurred by the school districts [in providing

1 *the meals. The amounts of the reimbursements may not exceed the amounts prescribed by subsections*
2 *(2) and (3) of this section.] as provided by this section.*

3 **(2) Reimbursement shall be provided by state sources to school districts:**

4 **(a) For meals that meet the stricter of the following nutrition standards:**

5 **(A) The nutrition standards prescribed by federal law for reimbursable meals; or**

6 **(B) The nutrition standards prescribed by 7 C.F.R. 210.10 and 220.8, as required to be**
7 **implemented by July 1, 2027, as in effect on July 1, 2024.**

8 **(b) In amounts that do not exceed the amounts prescribed by subsections (3) and (4) of**
9 **this section.**

10 [(2)] **(3) For schools that offer reimbursable breakfast and lunch at no charge to all students of**
11 **the school without consideration of individual eligibility for free or reduced price meals as described**
12 **in ORS 327.531 (1), the amount of reimbursements provided under this section may not exceed the**
13 **difference between:**

14 **(a) The free reimbursement rate established by the United States Department of Agriculture for**
15 **reimbursable meals; and**

16 **(b) Any amounts otherwise reimbursed or paid by state, federal or other sources.**

17 [(3)] **(4) For schools that offer reimbursable breakfast and lunch at no charge to students as**
18 **described in ORS 327.531 (2), the amount of reimbursements provided under this section shall equal**
19 **the difference between:**

20 **(a) The free reimbursement rate established by the United States Department of Agriculture for**
21 **reimbursable meals; and**

22 **(b) Any amounts otherwise reimbursed or paid by state, federal or other sources.**

23 [(4)] **(5) The State Board of Education may adopt any rules necessary for making reimburse-**
24 **ments under this section.**

25 **SECTION 6. (1) The amendments to ORS 327.531, 327.535 and 327.545 by sections 3 to 5**
26 **of this 2025 Act become operative on July 1, 2026.**

27 **(2) The amendments to ORS 327.531, 327.535 and 327.545 by sections 3 to 5 of this 2025**
28 **Act first apply to the 2026-2027 school year.**

29 **SECTION 7. In addition to and not in lieu of any other appropriation, there is appropri-**
30 **ated to the Department of Education, for the biennium beginning July 1, 2025, out of the**
31 **General Fund, the amount of \$4,000,000, which may be expended for:**

32 **(1) Paying any costs owed by parents or guardians for costs incurred before the effective**
33 **date of this 2025 Act for a reimbursable meal; and**

34 **(2) Assisting school districts in purchasing or upgrading equipment necessary to ensure**
35 **compliance with the amendments to ORS 327.531 and 327.535 by sections 3 and 4 of this 2025**
36 **Act.**

37 **SECTION 8. This 2025 Act being necessary for the immediate preservation of the public**
38 **peace, health and safety, an emergency is declared to exist, and this 2025 Act takes effect**
39 **July 1, 2025.**

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