HB 3201 A STAFF MEASURE SUMMARY

House Committee On Early Childhood and Human Services

Action Date: 04/08/25

Action: Do pass with amendments and be referred to Ways and Means by prior reference.

(Printed A-Eng.)

Vote: 7-1-1-0

Yeas: 7 - Hartman, Javadi, McIntire, Nguyen H, Nosse, Ruiz, Scharf

Nays: 1 - Elmer Exc: 1 - Walters

Fiscal: Fiscal impact issued **Revenue:** No revenue impact

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Meeting Dates: 3/4, 4/8

WHAT THE MEASURE DOES:

The measure directs the Oregon Department of Education (ODE) to implement policies to increase access to healthy and culturally relevant foods for children in child care. It increases the reimbursement rate for eligible meals and snacks served under the federal Child and Adult Care Food Program (CACFP) by ten cents as compared to the federal reimbursement rate, instructs ODE to equalize reimbursement rates across CACFP tier classifications, and creates a supplemental fund to support the change. The measure appropriates \$250,000 from the General Fund for distribution to the Oregon State University (OSU) Extension Service to create culturally specific menus for the CACFP.

Detailed Summary:

- Directs ODE to implement policies and procedures to increase access to healthy and culturally relevant food for children in child care.
- Directs ODE to increase the reimbursement rate for eligible meals and snacks served under CACFP by ten cents as compared to the federal reimbursement rate.
- Instructs ODE to equalize the reimbursement rate for eligible meals and snacks served in a family care home across CACFP tier classifications.
- Establishes the Child and Adult Care Food Program Supplemental Fund.
- Directs the Oregon State University (OSU) Extension Service to create culturally specific menus based on CACFP guidelines and requires OSU Extension Service to collaborate with communities and enter into an agreement with ODE for the creation of the menus. Sunsets June 30, 2027.
- Appropriates \$250,000 General Fund to the Higher Education Coordinating Commission for distribution to the OSU Extension Service.
- Declares an emergency, effective July 1, 2025.

ISSUES DISCUSSED:

- Programs and providers that participate in Child and Adult Care Food Program (CACFP)
- Culturally relevant foods
- Oregon Department of Education (ODE) management of the CACFP
- Food waste in childcare facilities

EFFECT OF AMENDMENT:

The amendment directs the Oregon State University (OSU) Extension Service to create culturally specific menus for food based on nutritional guidelines for the Child and Adult Care Food Program (CACFP) and appropriates \$250,000 General Fund for distribution to OSU Extension Services.

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Detailed Summary:

- Directs OSU Extension Service to create culturally specific menus based on CACFP nutritional guidelines.
- Requires OSU Extension Service to collaborate with communities and enter into an agreement with the Department of Education (ODE) to create the culturally specific menus.
- Sunsets January 30, 2027.
- Appropriates \$250,000 General Fund to the Higher Education Coordinating Commission for distribution to OSU Extension Services for the purposes of creating the menus.

BACKGROUND:

<u>The Child and Adult Care Food Program (CACFP)</u> provides reimbursements for nutritious meals and snacks to children at child care centers, family day care homes, emergency shelters, and after-school programs, as well as to eligible adults at adult day care centers. The program is federally funded and administered by states, and state agencies are responsible for monitoring participating institutions for compliance with program requirements. <u>The Oregon Department of Education (ODE)</u> manages the CACFP in Oregon.

Federal rule sets <u>reimbursement rates</u> and <u>nutritional standards</u> for meals and snacks provided under the program, such as requirements on inclusion of certain components for each of five food groups: milk, meat and meat alternatives, vegetables, fruits, and grains. Breakfast, lunch, and supper must include certain components of the five food groups, and snacks must include two of five components to be reimbursable (<u>Oregon CACFP, 2024</u>). According to the <u>United States Department of Agriculture</u>, CACFP sponsors and facilities are encouraged to meet participants' cultural, ethical, Tribal, and religious preferences.

ODE's website contains information on the current reimbursement rates for CACFP, effective July 1, 2024, to June 30, 2025 (<u>ODE, 2024</u>). Rates vary based on the type and tier of the facility. For day care homes, meals are reimbursed at either tier 1 or tier 2 rates. Tier 1 rates provide higher levels of reimbursement to day care homes in low-income areas or that meet income eligibility requirements. Tier 2 rates provide lower levels of reimbursement to day care homes that do not meet location or provider income criteria (<u>USDA Economic</u> Research Service, 2025).