

# NATIONAL CACFP SPONSORS ASSOCIATION



2024 Member Advocacy Survey

## The State of the Child and Adult Care Food Program



# Despite Challenges, Hope Remains

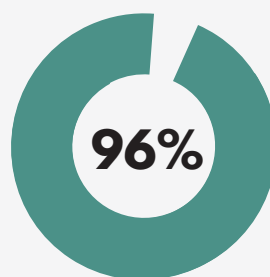
**One in every five<sup>1</sup> children in the United States is food insecure, meaning that approximately 13 million children do not know where their next meal will come from.**

Child and adult care providers work tirelessly to ensure nutritious meals and snacks are served to children and adults in their care. However, child care providers continue to be some of the lowest paid workers in the United States. A recent survey from the [Stanford Center on Early Childhood<sup>2</sup>](#) found that one in every three child care providers experience food insecurity, a quarter of them have had difficulty paying for basic necessities like food, healthcare, and utilities, and almost half of them worry about being able to pay rent or mortgage. Child and adult care providers nationwide are struggling to make ends meet while operating on lean margins, and yet, many of them remain committed to keeping costs low for families and providing high-quality care. The Child and Adult Care Food Program (CACFP) is a federal nutrition program that provides reimbursement to program operators for serving nutritious meals and snacks nationwide to children in child care centers, family child care homes, Head Start centers, emergency shelters, and afterschool programs as well as adults in day care. The CACFP is an indicator of quality child care and [participating programs<sup>3</sup>](#) provide more meals and serve more vegetables, meat, eggs, whole grains, and milk. Reimbursements received through the CACFP supplement some of the costs of providing nutritious meals.

Although the CACFP provides funds that support providers in serving more nutritious meals, there are many barriers and shortcomings of the program that have hindered participation. There has been a continuous downward trend in the number of sponsoring organizations, and providers participating in the CACFP and that trend has accelerated since the end of pandemic flexibilities – with the largest drop in sponsoring organizations in the last five years. Based off of results from a survey conducted by the National CACFP Sponsors Association, factors associated with the decrease in program participation include insufficient reimbursement rates, administrative burden, program difficulty, lack of flexibility, and retirement of sponsoring organization leadership.

Current CACFP reimbursement does not provide sufficient funds to cover the increased food and operational cost of the CACFP, thus threatening the financial viability of sponsors and providers. The increased administrative paperwork required at both the federal and state level is often cited as a burden and a barrier to participation for operators whose primary responsibility is the care of children. Burdensome requirements discourage participation and limit the recruitment of providers to the program. A lack of program improvements has caused the CACFP to fall behind on modernization efforts compared to other child nutrition programs, resulting in more difficult and costly operations. Many of these issues could be addressed through Child Nutrition Reauthorization (CNR), yet Congress has not taken action in 15 years.

Despite all of these challenges faced by program operators, most continue to be passionate about feeding children and adults and would recommend the CACFP to other providers. [The CACFP is an important factor<sup>4</sup>](#) in addressing food insecurity and combating diet-related diseases, [however it is underutilized<sup>5</sup>](#) because of the barriers to participation. In order to expand access to the program and ensure that children and adults in care are nutrition secure, stakeholders must work together to improve the CACFP.



**Of Providers  
Recommend the  
Food Program to  
Other Providers**

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“I feel it is very important to have the food program as a majority of my children are low income and need to have healthy meals at my center. It is quite time consuming, but worth it.”



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“I take pride in giving children choices of fresh and nutritious foods and providing family style meals. I am asking that child care homes and centers be valued for our time, work, love, and effort to keep providing high-quality food to the children in our care.”



## Member Advocacy Survey Summary

In the face of continued challenges in the CACFP, respondents expressed both frustration and hope in the program. It is clear that operators in all sectors of CACFP are struggling and yet, they continue to believe in the value of the CACFP.

Providers are struggling to serve nutritious, quality meals and snacks while faced with insufficient reimbursement and increasing paperwork burden of the CACFP. This places further strain on an already unstable child care infrastructure.

Sponsoring organizations are struggling to keep their small businesses running efficiently, while also dealing with limited administrative funds and increasing administrative requirements. Sponsoring organizations also reported challenges with staffing shortages and with recruiting and retaining new providers to the program. Most respondents reported the need for program modernization and streamlining, increased reimbursement, and reduced administrative burden.

# CACFP Funds and Reimbursement

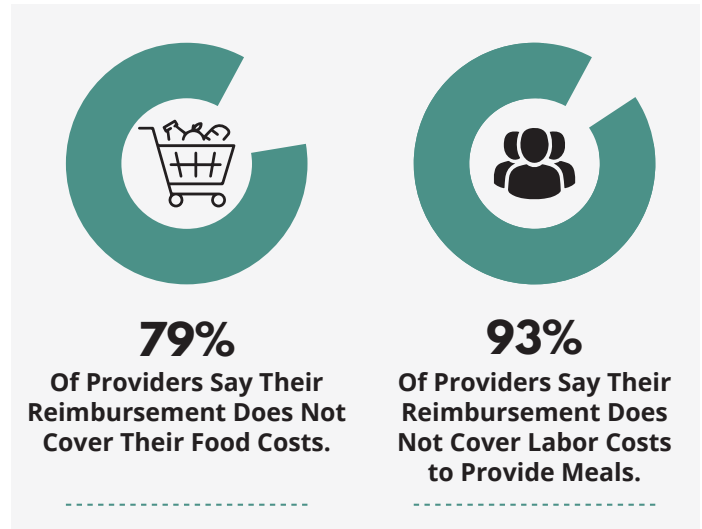
## Low Reimbursement a Barrier to Participation

A significant barrier to participation and one of the primary reasons providers are dropping the CACFP is insufficient reimbursement. Reimbursement rates do not cover the cost of providing nutritious meals/snacks. A [study by USDA<sup>6</sup>](#) found that 2016-2017 CACFP reimbursement rates only covered 18% to 51% of the total cost (food plus labor) to produce a meal or snack. Since then, food and labor costs have continued to rise without a commensurate increase in reimbursement rates.

When asked whether their reimbursement covered their food costs, 79% of centers said that it did not adequately cover the cost of food. A vast majority of centers (93%) stated that reimbursement rates do not cover their labor costs to produce meals.

Some centers shared that the lack of sufficient reimbursement limits their ability to purchase a variety of healthier food options. Centers report not being able to pay fair wages as they have to use other program funds to supplement the cost of meals and snacks, thus hindering their ability to hire and keep qualified staff. Almost a quarter of centers stated that staffing challenges result in existing staff shouldering the administrative burden of the program.

Providers shared that the cost of meeting the CACFP meal pattern and keeping up with the paperwork requirements results in a deficit which depletes other resources. It should come as no surprise that increasing reimbursement was the highest rated priority for providers (56%). It is past due for CACFP to receive a reimbursement increase to account for rising food and labor costs. Such an increase would help support struggling small businesses, improve quality of care, and help to retain and recruit CACFP providers.



### Top Priorities of Centers

Related to the CACFP



**Increasing Reimbursement Rates**



**Streamlining and Reducing Paperwork**



**Allowing Remote Monitoring Flexibilities Nationwide**



**“I am a licensed child care provider and I take pride in my business and the care of my children. The past couple of years have been rough to say the least. We are required to serve healthy foods while we’re on the food program, which cost more. My food check at the end of the month covers one week of groceries per month.”**

## Providers Bear the Cost of the Additional Meal

Currently, CACFP providers are only reimbursed for up to two meals and one snack or one meal and two snacks each day. However, of provider respondents, 22% stated that they serve an additional meal or snack even though they are only reimbursed for three. This means providers must pay for the additional meal out of their own pockets, further cutting into their profits.

**22%** of provider respondents

Stated that they serve an additional meal and/or snack that is not reimbursed.

The children that are in care for a full day require an additional meal or snack to meet their daily nutritional needs. Allowing providers that are open for 8 or more hours to be reimbursed for an additional meal would further support these providers with much needed funds which they are already spending. This would also ensure children are receiving the appropriate number of meals and snacks needed for proper development.

## Sponsoring Organizations Struggling with Funding, Staffing, and Recruiting/Retaining Providers

Over 46 percent of sponsoring organizations, which are responsible for the administration of the CACFP, indicated that recruiting and retaining providers is their biggest challenge. Sponsoring organizations mentioned several factors that they felt contributed to this challenge such as insufficient reimbursement for providers, the return to tiering of family child care homes, the loss of off-site monitoring and the administrative burden of the program.

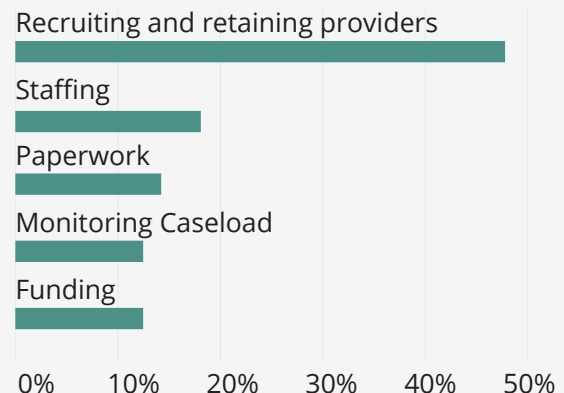
Several sponsoring organizations commented that they invest a great deal of time and effort to onboard, train and provide technical assistance to new providers who then end up dropping the program, sometimes even before the first claim. Thus, sponsoring organizations never receive any administrative funds for their work with these providers and have to absorb those costs.

The return to tiering post pandemic has also resulted in many providers dropping the food program. Additionally, with on-site monitoring costs increasing significantly, the loss of off-site monitoring has forced sponsoring organizations to drop providers who are in high-crime or hard-to-reach (rural) areas.

All of this has had an effect on the financial viability of sponsoring organizations themselves. Not to mention, 40% of sponsoring organizations say that the administrative funds they receive do not cover their CACFP expenses and thus must obtain additional outside funds to cover their costs for oversight and training. The other 60% of sponsoring organizations report operating on slim margins. As the cost of administering the program continues to increase, it is becoming more difficult for sponsoring organizations to cover their costs and raise sufficient funds.

### Biggest Challenges of Sponsoring Organizations

Related to the CACFP



## 40% of sponsoring organizations

Report requiring outside funds to cover their CACFP expenses.

## 60% of sponsoring organizations

Report operating on slim margins.



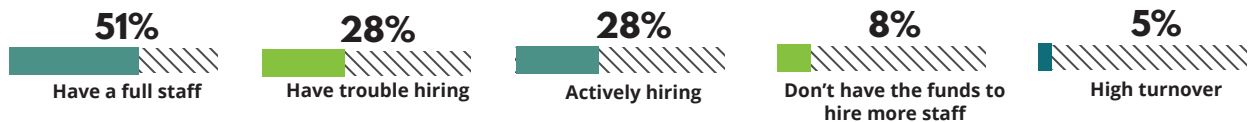
Similar to providers, sponsoring organizations stated that insufficient administrative funds force them to keep wages low. Half of sponsoring organizations shared that they are operating without a full staff because they cannot hire at such low wages – noting that they are forced to offer lower pay than what an applicant could receive at a fast-food restaurant. The complexity of the program makes it difficult to employ qualified staff with limited funding. Some have even had to cut back on staff because the administrative rate does not allow them to cover the minimum wage required in their state.

Sponsoring organizations provide vital support and education to their providers including comprehensive and repeated technical assistance, training, nutrition education, and program updates to help providers successfully operate the food program.

State agencies have [highlighted](#)<sup>7</sup> the importance of sponsoring organizations in reducing the program burden and increasing participation rates. Despite the CACFP depending on sponsoring organizations for program integrity, participation, and success, there has been a continuous decline in the number of CACFP sponsoring organizations due to the many challenges they face. Sponsoring organizations require more funds to hire staff and cover their operating costs. They also reported the need for increased reimbursement and decreased administrative burden for providers in order to maintain the financial viability of their sponsorship. Efforts must be made to increase administrative funding and/or develop new sources of funding to support the important work of sponsoring organizations.

### Sponsor Staffing

At a glance



“I feel that what a sponsor is required to do is more challenging than a typical person should be required to perform for hardly more than minimum wages. I am currently cutting hours and still losing money every month. Luckily a community organization is willing to let me use their copier, pens and pencils, copy paper, utilities, etc. Even with all of that we are still slowly losing funds. If I have any other unexpected expenses we would have to consider closing.”

# Program Modernization and Streamlining

## Monitoring Restrictions Limit Program Access and Increase Costs

To ensure the integrity of the CACFP, participating programs must have oversight from their respective State agency or a sponsoring organization. Monitoring visits have been conducted on-site, with monitors traveling to each CACFP site to observe CACFP operations and review records. This process results in increased time and costs for monitoring organizations, and a reduction in time for technical assistance for CACFP operators.

In a 2015 report<sup>8</sup> to Congress, USDA stated that “CACFP lags far behind other Federal programs in modernization and utilization of available technologies.” Since this report was released, no progress has been made on bringing the CACFP up to par with other programs. However, over the past few years flexibilities were made available through [Federal waivers](#)<sup>9</sup> allowing for a temporary expansion in technology use. Of particular significance was a nationwide waiver allowing monitors to conduct their visits remotely via video communications.

Remote, or “off-site,” monitoring proved to be a successful method of review – saving time and money, while still ensuring the integrity of participating programs. Time that would have been spent commuting to sites was used to provide more technical assistance. The use of off-site monitoring also expanded access to the CACFP for providers in rural, hard to reach areas. However, in June of 2023 the off-site monitoring waiver expired and sponsoring organizations have been required to return to on-site monitoring.

As a result, 32 sponsoring organizations stated that they have had to drop providers since the return to on-site monitoring. Respondents flagged staffing and capacity issues as their reason for dropping providers. Providers in rural, hard-to-reach, or high-crime areas are the most likely to be dropped. Almost 60% of sponsoring organizations stated that they have providers in rural areas, 50% stated they have providers far from their offices, and 30% have providers in high-crime areas.

**32** sponsoring organizations

Stated they have had to drop providers since the return of on-site monitoring.

**87%** of sponsoring organizations

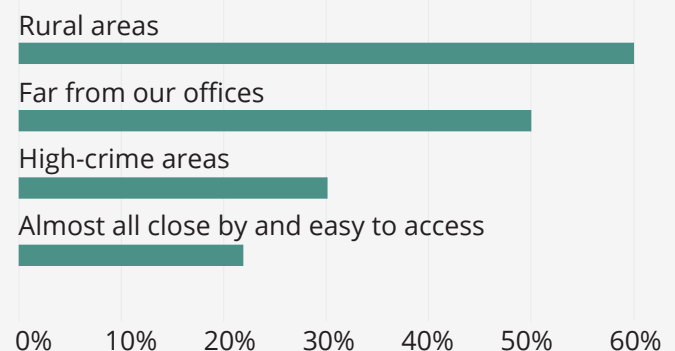
Stated that they would benefit from remote monitoring.

Approximately 87 percent of sponsoring organizations stated that they would benefit from remote monitoring, some sharing that it would increase staff capacity, allow for more time to provide technical assistance, and support their financial viability. USDA has provided guidance on how State agencies can request the flexibility to monitor remotely under USDA’s 12(l) waiver authority. A few State agencies have applied and been approved for the waiver. In addition, in some States, sponsoring organizations have come together to request their State agency apply.

Sponsors noted that remote monitoring would be particularly helpful for inclement weather, illnesses, staff capacity, high-crime areas, and rural areas. Multiple sponsoring organizations shared that the option to monitor remotely would allow them to serve a larger geographic area – expanding access to the program. A couple comments also noted that remote monitoring gives them a greater ability to serve language-diverse populations – because of increased flexibility to have a translator join the call or have a bilingual monitor take on more providers who share that language.

### Prevalant Provider Locations

Reported by Sponsors





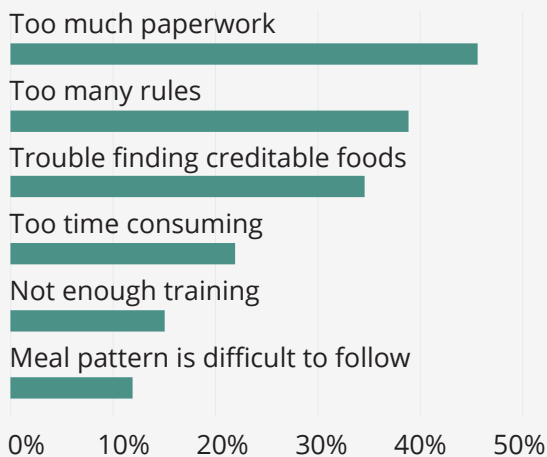
## Burdensome Paperwork Poses Challenge to Providers

The CACFP paperwork burden continues to be a significant barrier to program participation. Approximately 76% of providers reported spending more than three hours a week on CACFP paperwork. Paperwork was also cited as the biggest challenge for 46% of providers.

In most CACFP settings, there is not a full-time employee on staff to take care of CACFP paperwork. In family child care homes, it is often a single provider taking on the responsibility of caring for the children, doing enrichment activities with them, cleaning and preparing the food, and completing CACFP paperwork.

The main job of these providers is to care for the children enrolled in their program, and the CACFP is just a small part of their day. Therefore, the hours that providers are spending to complete paperwork must be done outside of their operating hours, after working a full day. Providers report that increased paperwork is a significant challenge and [research has shown<sup>10</sup>](#) that the paperwork burden of the program is a significant barrier to participation in the CACFP. In order to expand access and make the program more appealing to providers, CACFP paperwork must be streamlined.

### Biggest Challenges for CACFP Providers



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**“We are currently in a child care crisis! The CACFP helps day cares remain open, but the amount of paperwork and the regulations make it very difficult to participate.”**



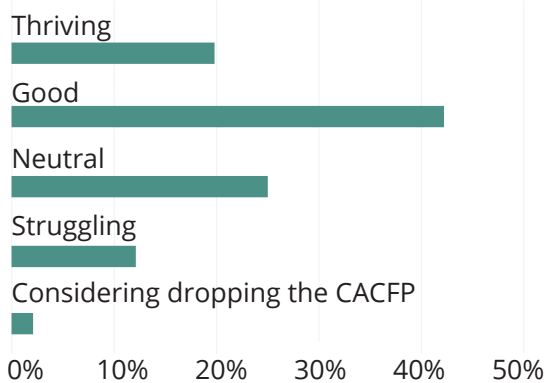
# Decline in Program Participation

Program challenges have led to a decline in sponsoring organizations and providers participating in the CACFP. While a good number of sponsors and providers self-reported that their businesses are doing well or are even thriving, a significant number reported that they are struggling, with a few considering dropping the CACFP.

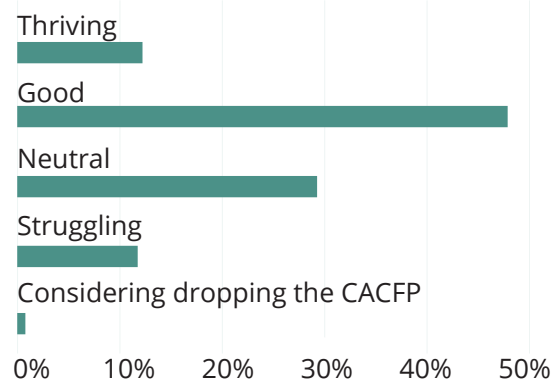
Since the end of pandemic flexibilities, we have seen the largest drop in sponsoring organizations in more than five years. This is of particular concern, as family child care homes are only able to participate in the program through a sponsoring organization and are not able to contract directly with the state.

Therefore, when a sponsoring organization leaves the CACFP, providers are left scrambling to find another sponsor to take them on, and if they are unable to find one, then they lose access to the program entirely. Since June of 2023, approximately [8,000 family child care homes](#)<sup>11</sup> have stopped participation in the CACFP. If the decline of CACFP operators continues at this rate, nutrition security will be threatened.

## Sponsor Business Standing



## Provider Business Standing



**The end result: If the decline of CACFP operators continues at this rate, nutrition security will be threatened. Decreased access to the CACFP would mean less children and adults receiving nutritious meals.**



**“We are still able to continue sponsoring the CACFP, but we have not been able to get back to the 130 day care homes participating in the program before the pandemic; we now only have 85.”**



# Recommendations and Conclusion

In order to mitigate the loss of CACFP operators and ensure that children and adults are able to receive nutritious meals, all CACFP stakeholders must work together to improve and strengthen the program.

## NCA Urges:

- ▶ Congress to initiate Child Nutrition Reauthorization and include vital CACFP policy priorities to:
  - increase reimbursement rates,
  - eliminate tiering of family child care homes,
  - and allow for an additional meal or snack.
- ▶ USDA and State agencies to streamline paperwork requirements to reduce administrative burden on operators.
- ▶ Congress to allow off-site monitoring flexibilities nationwide.

The CACFP is associated with increased food security, prevention of diet-related diseases such as obesity, and quality care. There is no doubt that the program has positive, lasting effects on the children and adults it serves. However, if measures are not taken to address the barriers of the program, participation in the program will continue to decline. Despite its challenges, the CACFP community believes in the program and works hard to provide nutritious meals. Since 2010, very little has been done to modernize and streamline the program. Immediate improvements are critical to ensure the nutrition security of America's youngest and most vulnerable population.



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**“As a sponsor, I want providers to understand that what they are doing is more than just feeding kids. They are not just filling their tummies. They are developing humans and that is important. So, if I can continue to make them feel excited about the CACFP, then my day has been good.”**

# NATIONAL CACFP SPONSORS ASSOCIATION



## About the survey:

This survey is an annual effort by the National CACFP Sponsors Association (NCA) to obtain feedback about the needs of the CACFP community from its members which include CACFP sponsoring organizations and child and adult care operators. The survey collected data and open comments from 308 members that represented multiple operational segments of the program and respondents from every State. The results of this survey are used to help shape the advocacy efforts of NCA.

## Endnotes:

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4. Ettinger de Cuba, S. et al. (2023). Child care feeding programs associated with food security and health for young children from families with low incomes. *Journal of the Academy of Nutrition and Dietetics*, 123(10), pp. 1429–1439. doi:10.1016/j.jand.2023.06.003.
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7. Andreyeva, T. et al. (2024). State Agency Perspectives on Successes and Challenges of Administering the Child and Adult Care Food Program. *Journal of Nutrition Education and Behavior*, 56(1), pp. 66-74. doi:10.1016/j.jneb.2023.10.015.
8. United States Department of Agriculture (2015). Report to Congress: Reducing Paperwork in the Child and Adult Care Food Program.
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10. Jana, B. et al. (2023). It has a lot to do with the cumbersome paperwork”: Barriers and facilitators of center-based early care and education program participation in the child and Adult Care Food Program. *Journal of the Academy of Nutrition and Dietetics*, 123(8). doi:10.1016/j.jand.2023.03.014.
11. United States Department of Agriculture (2024). Program Information Report (Keydata) U.S. Summary, FY 2023 - FY 2024.

*Unless otherwise specified, all data was collected through a 2024 survey conducted by the National CACFP Sponsors Association.*