

## Executive Summary:

The participants of the National CACFP Sponsors Association's White House convening urge the Biden-Harris Administration to invest in the USDA Child and Adult Care Food Program (CACFP) as an important part of their strategy towards ending hunger, increasing healthy eating, and ensuring nutrition security across the U.S. by 2030. CACFP assures early nutrition intervention that results in positive health outcomes. The CACFP is also an indicator of quality child care.

Convening participants recommended the following strategies in order to both improve the program and expand access: increasing reimbursement rates, providing Tier I reimbursements for all CACFP family child care homes, expanding area eligibility for family child care homes and afterschool sites and creating Community Eligibility Provisions (CEP) for child care centers, allowing non-congregate feeding, streamlining the administration of the CACFP by eliminating burdensome paperwork, raising awareness of the CACFP in child care and schools, and increasing access to healthy foods by investing in local food procurement such as community gardens.

## CACFP Partner-Led Convening:

In June 2022, the National CACFP Sponsors Association (NCA) invited over 100,000 members of the Child and Adult Care Food Program community for a partner-led convening to gather feedback for the White House Conference on Hunger, Nutrition, and Health. NCA was able to gather input from a broad representation of the CACFP community that included over 500 webinar attendees, additional on-demand attendees, and those who shared their feedback through an on-line intake form. Respondents represented community professionals nationwide from family child care homes, child and adult care centers, afterschool care programs, emergency shelters, sponsoring organizations, state agencies, tribal organizations and anti-hunger advocates of child nutrition programs.

Most responses focused on Pillar 1, Question 2.

**Pillar 1:** Improve food access and affordability. End hunger by making it easier for everyone — including urban, suburban, rural, and Tribal communities — to access and afford food.

**Question 2:** What specific actions should the US Federal government take to achieve this pillar?

The major themes resulting from the feedback included struggles with low reimbursement rates, burdensome program administration and paperwork, an unjust tiering system for reimbursements, access to affordable healthy food, lack of awareness of the program and not being able to provide meals in non-congregate settings. These issues affect participation in the CACFP and thus have an impact on food insecurity and nutrition security across the U.S. and its territories.

To address these issues, we strongly urge the following actions:

- Increase the CACFP reimbursement rates
- Establish all CACFP family child care homes as Tier I and eliminate Tier II
- Expand area eligibility for family child care homes and afterschool sites
- Establish Community Eligibility Provision (CEP) for child care centers
- Allow non-congregate feeding
- Streamline the administration of the CACFP and eliminate burdensome paperwork
- Provide funding to raise awareness of the CACFP
- Invest in local food procurement

**“This month, we were over by thousands of dollars due to school-age children joining us. With only a few children free or reduced, the burden of the cost of food cannot survive with less than a dollar for the children in the paid category.”**

**“The cost of food is way higher than the reimbursement levels.”**

**“Reimbursement rates must increase for CACFP. We strive to procure the healthiest, highest quality food we can for our programs, but with the cost of everything increasing, it is becoming harder and harder to provide a varied menu of fresh foods while still staying within budget.”**

**“Please increase sponsor funding due to higher cost of gas for transport and monitoring cost. Along with the high price of gas, there must be increased reimbursement rates for the high price of food.”**

According to the CDC, young children who consume nutritious meals at an early age develop lifelong healthy habits and have fewer health problems later in life (CDC, 2021). With the Biden-Harris Administration’s effort to end hunger and increase healthy eating by 2030, it is imperative to focus on early interventions for hunger and nutrition. Thus, it is crucial to invest in child nutrition programs, like the CACFP, which provide healthy and nourishing food options for children across the U.S. and its territories.

Every day, over 5 million of our nation’s most vulnerable population have access to food through the CACFP. Along with providing nutritious foods, the CACFP is an opportunity for children to learn and establish healthy eating habits contributing to improved nutrition security.

Although the CACFP has successfully provided access to healthy foods and served as a safety net for millions of children over the past 50 years, pressing issues and barriers remain. Addressing these issues and minimizing the program barriers will expand access to the CACFP and thus contribute to the Biden-Harris goal of eliminating hunger and ensuring nutrition security by 2030.

## **Inflation Outpaces Reimbursement**

- Current reimbursement rates do not cover the cost of healthy food and gas prices.
- Reimbursement rates must be adjusted in order for operators to meet the needs of participants.

In a USDA study published in October 2021 regarding CACFP meal costs, the median total cost of food and labor was: \$4.19 per breakfast; \$4.85 per lunch; and \$2.94 per supper (USDA, 2021). These costs far exceed current reimbursement rates.

Additionally, in the last few months, the consumer price index (CPI) for all food increased 1.1 percent from April 2022 to May 2022, and yet food prices were 10.1 percent higher than in May 2021. This pattern will likely continue as prices are now predicted to increase another 7.5 to 8.5 percent. Food-away-from-home prices are predicted to increase between 6.0 and 7.0 percent, and food-at-home prices are predicted to increase between 8.5 and 9.5 percent (USDA, 2022).

Rising food and gas prices have made it difficult for providers to afford to feed the children in their care. According to the federal Energy Information Administration (EIA), gas prices on average are 58.7% more than last year. In comparison to \$2.20 per gallon in November, gas prices are now \$3.491 per gallon (EIA, 2022). Gas prices affect those in the CACFP in two ways: increased costs of procuring food and increased program monitoring costs (in person home and site visit costs). To address this issue, CACFP operators have proposed the need for increased reimbursement and administrative rates to cover the cost of gas.

Based on the projections of food prices and inflation, CACFP providers will continue to struggle to provide meals and snacks within the current rates of reimbursement. It is crucial that reimbursement rates are adjusted to address inflation.

## Tiered Reimbursement Is Incongruous with Food Costs

- Tier II reimbursement rates are insufficient to cover the cost of nutritious foods.
- The expansion of Tier I reimbursement rates to include all operators, first through pandemic-era waivers and now through the Keep Kids Fed Act, must be made permanent.

Currently, the CACFP operates with a tiered system for reimbursements for family home child care providers. With this system, providers with Tier I classifications receive a higher reimbursement rate per meal than those with Tier II classifications. A CACFP provider may be determined as Tier I based on school data, census data, or the provider's participation in benefits programs or household size and income. During COVID-19, all homes were placed in Tier I, and CACFP family home child care providers were finally able to receive reimbursement that was more in line with their actual cost of meals.

At the time of the convening, this change was scheduled to end on June 30, 2022, and many CACFP homes would have been placed back into Tier II, regardless of rising food prices and overall inflation.

Fortunately, the Biden-Harris administration signed into law the Keep Kids Fed Act of 2022, which temporarily increases the reimbursement rates of the CACFP meals and snacks by 10 cents. Additionally, the area eligibility waiver for family child care homes was extended, allowing all family child care homes to be reimbursed at the Tier I rate.

Still, these flexibilities will expire at the end of the school year 2022-2023, which has CACFP home providers concerned for the future of providing nutritious meals for the children in their care. Permanent changes must be considered by making the area eligibility waiver permanent for family child care homes during the next Child Nutrition Reauthorization.

## Eligibility Expansion Needed

- The collection of income eligibility forms is burdensome for operators as well as parents.
- Equitable eligibility mechanisms must be established for CACFP operators.

Income eligibility forms require families to report their income, and this has often led to low participation. For a multitude of reasons, some families decline to complete the forms.

**“With the increased cost of food, to go back to Tier II is a hardship.”**

**“The lower tier is going to negatively affect a lot of child care providers and the families they care for. Costs are at an all-time high and this is the worst time for that income to end.”**

**“We would love to see lower area eligibility so we can better serve rural and suburban communities.”**

**“Barriers to participation include the added administrative time for providers. They already serve food, but are overwhelmed by record-keeping, enrollment and eligibility requirements, etc.”**

**“There has to be more unity in the CACFP across the board. The paperwork is hard enough but when one group has their own set of rules and then another has an entirely different set of rules and regulations, it makes it difficult for us.”**

For instance, they feel that the income forms are invasive or too time-consuming to complete. The difficulties in collecting income eligibility forms affect CACFP eligibility and thus can limit participation. CACFP operators suggest relieving this burden by utilizing other forms of eligibility such as implementing a Community Eligibility Provision (CEP) for childcare centers participating in CACFP. CEP relies on direct certification and categorical eligibility to establish a claiming percentage instead of income eligibility from income applications (USDA, 2019). The establishment of CEP would make it significantly easier for centers to participate by eliminating the need to collect income applications; resulting in a significant decrease in reported administrative burden.

To qualify for area eligibility, a family home child care and afterschool site must be located in the attendance area of a school where at least 50 percent of the children are eligible for free or reduced-price school meals, or it must be located in a Census Block Group (CBG) or Census Tract in which 50 percent or more of the children are eligible for free or reduced-price meals. Some sites are located outside the area eligible boundaries, especially in rural areas and low-income areas. To move to a more equitable eligibility determination, it is recommended that the percentage be lowered from 50% to 40% to better feed children in rural and low-income communities.

### **Burdensome Administration Disincentivizes Participation**

- The CACFP administrative process places an undue burden on operators.
- Paperwork must be streamlined and digitized to facilitate participation.

Currently, the CACFP administrative process requires burdensome paperwork. Many CACFP operators reported that streamlining processes and reducing paperwork plays a key role in minimizing the barriers of participation.

In a USDA study titled “Reducing Paperwork in the Child and Adult Care Food Program” published in 2015, CACFP stakeholders reported extreme difficulties with burdensome paperwork. The study reports, “CACFP stakeholders reveal examples of reporting and record keeping that create inefficiencies, such as when reporting must be generated for the benefit of the reviewer, even when the reviewer has electronic access to data already available in another format. The reporting may include producing multiple copies of the same document, reformatting existing data to match a reviewer checklist, or some other unnecessary or duplicative process that creates inefficiencies.” (USDA, 2015).

Prioritizing the need for a streamlined and digitized administrative process in CACFP is imperative in addressing barriers to participation. It is essential that the Biden-Harris Administration acts to lessen the administrative burden and encourage more providers to participate in the CACFP. In turn, more children in the U.S. will have nutritious foods.

## Children Lack Safe Access to Nutritious Meals in Food Deserts

- The end of the pandemic-era waivers will stop grab-and-go, delivery, and other non-congregate feeding options, which provide access to nutritious meals.
- Non-congregate feeding must be permitted in order to provide equitable solutions to programs that have to meet the needs of their communities.

In the CACFP, operators are required to feed their children in a congregate setting that requires children to be present in order to have access to nutritious meals and snacks. Some children have difficulty accessing healthy foods provided at congregate sites for a number of reasons such as lack of transportation, unsafe neighborhoods and illness. For example, children in family child care homes and child care centers who are unable to be in care because of illness or because they are unable to get to the home or center would not be able to access nutritious meals without non-congregate flexibilities. Similarly, children who need access to afterschool supper but who must board a school bus directly afterschool in order to avoid walking home through unsafe neighborhoods would also not have access to meals. Through non-congregate flexibilities, CACFP operators may be able to serve more children, thus improving their nutrition security. We urge the Biden-Harris administration to allow for flexibilities that, when implemented by CACFP operators, best address the needs of the program.

### Operators Are Hindered from Healthy Food Access

- Food deserts in rural and urban communities have less access to fresh, local foods.
- Operators propose funding for farmers markets, community gardens and other sustainable options to provide healthy choices to participants.

Food deserts, which are defined as “...areas that lack access to affordable fruits, vegetables, whole grains, low-fat milk, and other foods that make up the full range of a healthy diet” (CDC, 2007) exist within rural or suburban communities and leave many providers with limited food choices to incorporate into their menus and address special diets. Lack of access to grocery stores, farmers’ markets, gardens, etc. has made it so communities in food deserts have difficulties providing healthy options.

Food deserts disproportionately exist in communities of color, specifically among Black households. According to a survey done in 2016 by McKinsey & Company, “one out of every five Black households are situated in a food desert, with few grocery stores, restaurants, and farmers markets” (McKinsey, 2016). Addressing inequities in food availability is an equity issue and should be addressed by the Biden-Harris Administration.

**“I am in a rural area, and we are seeing more and more people asking for help with food. Either they are not receiving government assistance, or their assistance is not enough.”**

**“I would love to see them make permanent some of the waivers, like area eligibility and non-congregate meals, that have made it easier for us and our sponsored sites to serve more kids the past few years.”**

The Biden-Harris administration should review areas of inequity regarding food access and implement strategies in both food procurement and funding to help increase healthy food access. It is proposed that the Biden-Harris Administration fund these solutions through grants and/or additional CACFP reimbursement.

**“Support food hubs, community gardens, farmers’ markets, and school districts to focus more on the needs of the local population.”**

## **Investments in the CACFP Are Solutions to End Childhood Hunger and Increase Nutrition Security**

The White House Conference on Hunger, Nutrition and Health is an important step in addressing nutrition security and an opportunity to take actionable strides to end hunger.

It is time for the Biden-Harris Administration to listen to the CACFP community and address the issues of accessibility in CACFP. The CACFP plays a pivotal role in feeding and nourishing our nation’s most vulnerable population and its implementation is crucial in giving our nation’s children a healthy start. The CACFP is positioned to provide early intervention which results in better health outcomes. Not only is the CACFP an indicator of quality child care, it provides much-needed support to child care operators nationwide which in turn support working families. It is imperative the Biden-Harris Administration address the issues within CACFP in order to reduce the program’s administrative burden and expand access. The CACFP must be given priority and also must be required in any universal preschool implementation plan. Investing in the CACFP is investing in our youth’s healthy futures.

**“There is an invisible population of small daycare home providers in rural communities that are scared to become licensed due to strict licensing guidelines, lack of Internet access, and a lack of transportation to purchase healthy foods for the children in their care. We must research and identify the barriers that are preventing these providers from becoming licensed and extending their care to more children in their communities.”**



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