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Access to Healthy Food for Young Children Act

Summary

- Reduce the Child and Adult Care Food Program (CACFP) area eligibility test from 50 percent to 40 percent eligible to streamline access to healthy meals for young children in child care;
- Allow child care centers and homes the option of serving a third meal service (typically this would be a supper or an afternoon snack) for children who are in care for 8 or more hours;
- Increase CACFP reimbursements by 10 cents per meal type per tier to stem participation declines and improve nutrition;
- Increase the Administrative Reimbursement Rate for CACFP sponsoring organizations by \$5 per family child care home per month and protect rates from negative cost-of-living adjustments to sustain participation of family child care providers;
- Provide two year implementation funds (\$100 million) for State CACFP agencies, as well as \$20 million for USDA, to successfully implement CACFP and sustain CACFP participation; and
- Continue funding for the ongoing five year cycle of child care and CACFP nutrition and wellness study authorized in the *Healthy Hunger Free Kids Act*.
- Authorize the continuation of the Congressionally-mandated CACFP paperwork reduction initiative including a focus on maximizing the effective use of technology.
- Cut red tape for child care centers serving low-income families by creating a “Provision 2” streamlining option for CACFP.

Explanation

Reduce the CACFP area eligibility test from 50 percent to 40 percent to streamline access to healthy meals for young children in child care.

Area eligibility, the most successful and inclusive CACFP eligibility mechanism, allows family child care homes in low-income areas to automatically receive the highest CACFP reimbursement rates. This “area eligibility” test has proven extremely effective because it substantially decreases the paperwork for providers and families by eliminating the need to individually document each child’s household income.

Currently, family child care homes only qualify for area eligibility in areas with 50 percent or more low-income children (as defined by local census data or the percentage of children in the local school eligible for free and reduced price meals). The threshold is too high to appropriately target many communities with struggling families. This is especially true in rural and suburban areas which do not typically have the same pattern of concentrated poverty seen in urban areas.

For providers in areas that do not meet the 50 percent threshold (Tier II providers), the cost of the gap between the reimbursement level and the actual cost of meeting the CACFP meal pattern and significant paperwork discourages them from participating in the program. In many cases, providers do not have the resources to make up the shortfall because child care is a relatively low-income profession. The average income for a family child care provider is \$19,670. For Tier II providers, it is easier just to operate without the CACFP standards, oversight, and required paperwork by serving cheaper, less nutritious meal or requiring parents to provide all meals and snacks. Without access to the benefits of CACFP, there is great concern about the nutritional value of the meals and snacks that family child care providers can offer to the young children in their care, especially in the current economy.

Reducing the area eligibility test to a 40 percent threshold would make many more child care providers who serve low-income children eligible for the higher Tier I reimbursement, and many more children in need would receive healthy CACFP meals and snacks. When confronted with the complex CACFP eligibility requirements to be met outside of the areas currently eligible, most providers choose not to participate. It is easier just to resort to serving cheaper, less nutritious meals and operate without the CACFP standards, oversight, and required paperwork. It is not uncommon for providers to forgo offering even the less costly meals and simply let children rely on food sent from home. Research has consistently shown that food brought from home is far less nutritious than the meals and snacks that children receive through CACFP.

Allow child care centers and homes the option of serving a third meal service (typically this would be a snack or supper) for children who are in care for 8 or more hours.

National child care standards, based on the best nutrition and child development science, specify that young children need to eat small healthy meals and snacks on a regular basis throughout the day. Many children are in care for more than eight hours per day as their parents work long hours to make ends meet, so they rely on child care providers to meet a majority of their nutrition needs. Previously, child care providers could receive funding for up to three meals and one snack, and in 1995, 26 percent of all providers served two meals and two snacks. In 1996, Congress cut out one meal service to achieve budget savings. We should restore CACFP support to the full complement of meals young children need and stop short-changing young children at a time when they can least afford it.

Increase CACFP reimbursements by 10 cents per meal type per tier to stem participation declines and improve nutrition.

Cost is one of the most commonly cited barriers to providing healthier foods. Increasing the availability and consumption of fruits and vegetables, whole grains, and lower-fat dairy products among young children in child care is absolutely essential to improve development, promote health and prevent obesity at exactly the time – early childhood – when it can have the most long-term effect. This effort needs to be supported by adequate meal reimbursements. At the same time, family child care participation declines created by reimbursement cuts need to be reversed. Reimbursement rates must increase to reflect the increased costs of meeting the Dietary Guidelines. Research has shown that increasing reimbursements directly improves the nutritional value of foods served in family child care, while lowering reimbursements decreases the availability of fruits and vegetables and increases the percent of energy from total fat and saturated fat. Higher reimbursements will assure that more children participate in CACFP, both attracting more child care centers and helping to stem the loss of family child care providers.

Increase the Administrative Reimbursement Rate for CACFP sponsoring organizations by \$5 per family child care home per month and protect rates from negative cost-of-living adjustments to sustain participation of family child care providers.

Sponsor's administrative reimbursement rates should be brought to the level necessary to make the program more affordable and easier to reach more children. These costs include additional ongoing training and oversight, monitoring visits, and extra time spent to help low-income providers overcome literacy and language issues. Access to healthy meals is threatened by the breakdown in the network of CACFP sponsors, the non-profit community-based organizations supporting the participation of family child care homes in CACFP. Even before the new improvements in the CACFP meal pattern and nutrition education, many sponsors were unable to make ends meet due to high program costs and the loss of economies of scale as providers dropped out of the program, leading to a 28% decrease in the number of sponsors in the last dozen years. According to a 2006 USDA report, "costs reported by sponsors on average were about 5 percent higher than allowable reimbursement amounts."

Provide two year implementation funds (\$100 million) for State CACFP agencies, as well as \$20 million for USDA, to successfully implement CACFP and sustain CACFP participation.

Similar to the implementation funds allocated to the State school meals agencies in the *Healthy, Hunger-Free Kids Act*, these funds would be allocated to State CACFP agencies to support the successful implementation of the new healthier meal pattern. An important additional goal will be to use the funds to increase CACFP participation allowing more children to benefit from CACFP new healthier meals. These funds will be crucial to supporting USDA's important role in providing materials, training and support to State agencies and program operators. Also, research suggests there is room for improvement in nutrition knowledge among child care providers, and that additional training could be an important step in promoting healthy eating among preschool children.

Continue funding (\$5 million) for the ongoing five year cycle of child care and CACFP nutrition and wellness study authorized in Section 223 of the *Healthy Hunger Free Kids Act*.

USDA would continue its study of nutrition and wellness quality in child care settings, in consultation with the Department of Health and Human Services.

Authorize the continuation of the Congressionally-mandated USDA CACFP paperwork reduction initiative including a focus on maximizing the effective use of technology.

USDA, in conjunction with States and participating institutions, would continue to examine the feasibility of reducing unnecessary or duplicative paperwork resulting from regulations and recordkeeping requirements for State agencies, institutions, family and group day care homes, and sponsored centers participating in the program. The examination would include a review and evaluation of the recommendations, guidance, and regulatory priorities developed and issued to comply with section 336 (paperwork reduction) of the *Healthy, Hunger-Free Kids Act*; examination of additional paperwork and administrative requirements that have been established since January 1, 2016; and examination of the additional paperwork and administrative burdens that could be reduced by the effective use of technology. USDA would submit a report to Congress in four years regarding actions taken or planned, and to make recommendations to Congress for modifications to existing statutory authorities needed to address identified administrative and paperwork burdens.

Provide a carry-over option for organizations sponsoring child care centers and afterschool programs in CACFP.

Currently, a significant number of centers and programs are overseen by sponsoring organizations rather than directly by State agencies. Sponsoring organizations provide these centers and programs training covering CACFP rules and requirements, nutrition and menu planning; assistance with monthly paperwork; and heightened scrutiny and oversight of their compliance with food program regulations through three to six on-site monitoring visits each year, and monthly review and audit of food service records including menus. Sponsors of family child care homes have a carry-over option but sponsors of child care centers and afterschool programs do not. This has created difficulties for some sponsors in utilizing their administrative funding effectively. This provision would permit sponsoring organizations to carry-over a maximum of 10 percent of administrative funds into the following fiscal year, which will allow sponsors to maximize the federal reimbursements effectively from one fiscal year to the next. This would be consistent with the USDA carry over option for sponsors of family child care homes. This would also align CACFP with current business practices: carry-over is a key budget tool needed to effectively manage purchasing and operations.

Cut red tape for child care centers serving low-income families by creating a “Provision 2” streamlining option for CACFP.

This would reduce application burdens and simplify meal counting and claiming procedures. Currently, “provision 2” allows schools that predominantly serve low-income children to offer free school meals to all students. “Provision 2” schools establish claiming percentages and can then serve free school meals to all students for a 4-year period, without obtaining additional applications. In CACFP, “Provision 2” child care centers would use the existing blended rate formula to establish claiming percentages in the first year. USDA regulations define the blended per-meal rate which is determined annually, based on a formula that multiplies national average payment rates by claiming percentages for free, reduced-price, and paid meals. The child care centers would agree to operate as “non-pricing” programs, where there are no charges for meals, and serve all children enrolled in child care. Creating a “Provision 2” option for CACFP is a low-cost way to simplify center meal counting and claiming procedures, and reduce application burdens for parents.

Background on CACFP

The Child and Adult Care Food Program (CACFP) provides healthy, nutritious meals to more than 3 million children each day who are in Head Start, Early Head Start and child care programs in both centers and family child care homes. CACFP plays a critical role in educating children, families and child care providers about healthy nutrition and providing resources for at-risk children to eat healthy meals. It also helps to address the growing childhood obesity epidemic in the country today.

Given the large number of children in child care, high rates of childhood obesity and prevalence of food insecurity, the need to provide nutritious meals and form healthy eating habits in child care has never been greater. Far too many low-income children in this country face both short- and long-term adverse effects on their health, social/emotional development, and ability to learn and perform in child care and eventually school, all as a result of limited access to good nutrition.

Healthy eating and good nutrition are critically important for all children and particularly important for children ages 0-5 as their brains are rapidly developing. This is also a critical time to set healthy eating patterns and combat childhood obesity. Overall, about one-quarter of 2-5 year olds and one-third of school-age children are overweight or obese in the U.S. About 30 percent of low-income

preschoolers are overweight or obese. Overweight and obesity rates tend to be higher and have increased more rapidly over time among low-income African-Americans and Hispanics.

For many children, the meals they eat in child care programs are the most nutritious meals they eat all week. As working families shuttle between home, child care and work, little time remains for food shopping, healthy meal planning, and sitting down to eat healthy meals. Further, with rising food costs, increasing rates of childhood poverty and a difficult economy, many parents simply cannot afford more nutritious foods.

Low-income, working parents rely on CACFP as a quality source of nutrition for their children. But the program is suffering under the same economic challenges that parents face as budgets are tighter for family child care providers with stagnant reimbursement rates and rising costs, including food and fuel.

The upcoming reauthorization of the child nutrition programs provides an opportunity to make much needed improvements to increase CACFP access and strengthen CACFP's role in supporting good health and nutrition.

How CACFP Works

CACFP funds are provided by the U.S. Department of Agriculture to state agencies that hire sponsoring non-profit organizations (sponsors) to conduct the day-to-day support and oversight. CACFP currently reimburses providers for either two meals (generally breakfast and lunch) in addition to a snack or two snacks and one meal. Family child care providers are reimbursed based on a complicated tiering structure that was implemented in 1996. Providers receive either Tier I reimbursements or Tier II reimbursements, which are less than half of Tier I. Before 1996, all family child care providers received the same reimbursement rate for all meals and snacks.

Tier I reimbursement is issued to family child care providers who live in school districts where at least 50% of kids are eligible for free or reduced priced meals (i.e. school lunch/breakfast), are at or below 185% of poverty, or are in a census block group (CBG) in which at least 50 percent of the children live in households with incomes at or below 185 percent of the Federal poverty guidelines (FPG). For all others, Tier I reimbursements are provided only for children whose families are at or below 185% of poverty based on what is referred to as a “means test.” Otherwise the provider will receive Tier II rates which are drastically lower. The reimbursement rates are:

	Tier I current	Tier II	Difference between tiers
Breakfast	\$1.31	\$.48	\$.83 less, 63% cut
Lunch/supper	\$2.47	\$1.49	\$.98 less, 40 % cut
Snack	\$.73	\$.20	\$.53 less, 73 % cut

Participation in CACFP is a key indicator of quality in family child care programs. Nationally, 87% of family child care homes considered to be providing good quality child care participate in CACFP. CACFP provides important resources for child care providers in addition to reimbursing meals. Each participant is visited three times by the sponsor to ensure that the setting is safe and conducive for preparing and serving meals to children and to provide oversight through one unscheduled and one scheduled visit. Support and oversight continue as sponsors provide templates for meal

planning and approve all menus. Sponsors also provide periodic training sessions regarding nutrition education, meal planning and food safety.

Tiering has had a devastating impact on family child care participation in CACFP. Since tiering was created in 1996, more than 32% percent of family child care providers have withdrawn from the program. During the same time period, center and Head Start participation in CACFP increased by over 59%. Tier II rates are simply not adequate to cover the costs of food, fuel and administrative requirements of the program, so providers are dropping out. The Food Research and Action Center released a report on CACFP participation: http://frac.org/newsite/wp-content/uploads/2009/05/cacfp_participation_trends_report_2012.pdf