

**The U.S. House Committee on Education and Labor Hearing
Improving Children's Health: Strengthening Federal Child Nutrition Programs**

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Good afternoon, Mr. Chairman and Members of the Committee, I am Carolyn Morrison, President of the National CACFP Forum, an organization that serves to promote, protect and perfect the Child and Adult Care Food Program (referred to as the CACFP); and Executive Director of Child Care Development Services, Inc. (CCDS), an Oregon sponsor of the CACFP. Thank you for the opportunity to join you this afternoon to discuss the key role the Child and Adult Care Program plays in ensuring young children have access to good nutrition and to offer recommendations for strengthening the program through the Child Nutrition Reauthorization. A well-conceived reauthorization bill, focused on the right program improvements for CACFP, can help to reduce hunger, childhood overweight and obesity, improve child nutrition and wellness, and enhance child development and school readiness.

Every day, across the country, millions of low-income families rely on the healthy food their children receive in child care through the USDA Child and Adult Care Food Program. CACFP reimbursements, nutrition requirements and training support high quality nutrition experiences for over 3 million children in child care: more than two-thirds of them in child care centers, and the rest in family child care homes. Ensuring young children are well-fed in child care promotes their health, creativity, capacity to learn and be at their best.

As a middle class mom who decided to be a child care provider in the early 80's, I learned this first hand from my exposure to low-income children who were in my care. I will never forget the 4-year old boy who wondered why I cooked and didn't go get fast food. Johnny's mom was poor and struggled to make ends meet. She loved her kids, but did not have the resources, knowledge or time to feed them well.

Unfortunately, under the current system healthy CACFP meals and snacks are out of reach for millions of young children in child care. Over half the children in child care are in centers or family child care homes that do not participate in CACFP. Family child care homes' participation in CACFP, which had been one of the fastest growing nutrition programs, has dropped 27 percent since the introduction of a complex two-tiered reimbursement system in 1997. (Thirteen states have had a drop of 42% or more.) Given the crucial role early childhood nutrition plays in the cognitive growth and development of a child, and the lack of knowledge and/or resources of many working parents, expanding access to CACFP is vital to ensuring that all children in care settings have the opportunity to grow strong and live healthy, productive lives.

For many children in child care like Johnny, the child care program they attend is their primary source of food; they spend 10-12 hours each day in care and receive most, and some days all, of their meals while there.

CACFP is a vital source of support for family child care providers, centers and Head Start Programs. CACFP sponsoring organizations play a critical role in ensuring child care providers can participate in this program and serve healthful meals to children under their care. CACFP

resources, including training and technical assistance, on-site visits and reimbursement for food and meal preparation costs, support:

- providing good nutrition and preventing childhood obesity by teaching children and caregivers about healthy lifestyles and meal patterns, and
- creating affordable, quality child care.

Numerous studies throughout the years have demonstrated that the CACFP is vitally important to providing young children with the necessary nutritional support to have a healthy start in life as well as contributing to an improved overall quality of care. (Please see Appendix A for summary of research.)

The reauthorization of the Child Nutrition Programs provides an important opportunity to make the necessary improvements to increase program access and nutrition quality, and protect the quality of CACFP services for children in child care by:

- Increasing CACFP reimbursements to improve nutrition and stem participation declines;
- Raise program reimbursement to support sponsoring organizations' nutrition and wellness education requirements, reaching and teaching low-literacy providers and rural transportation costs;
- Reducing the CACFP area eligibility test from 50 percent to 40 percent;
- Allowing child care centers and homes the option of serving a third meal service (typically this would be a supper or an afternoon snack), as was previously allowed;
- Updating the CACFP nutrition standards and meal pattern to make them consistent with the most recent Dietary Guidelines;
- Streamlining program requirements, reducing paperwork, and maximizing technology.

Increase CACFP reimbursements to stem participation declines and improve nutrition. Purchasing, preparing and serving more nourishing meals and snacks are more expensive. Increasing the availability and consumption of fruits and vegetables, whole grains, and lower fat dairy products for young children in child care is absolutely essential to improve development and health and to 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. 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. A study done in Oregon found that inadequate reimbursement rates and paperwork were the top two reasons for providers to leave CACFP.

Raise program reimbursement to support sponsoring organizations' nutrition and wellness education requirements, reaching and teaching low-literacy providers, rural transportation costs and sustain family child care providers participation in the food program. 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. Unable to make ends meet due to high program costs and the loss of economies of scale as providers dropped out of the program, 28 percent of sponsors stopped sponsoring the program in the last dozen years. In a 2006 USDA report, researchers reported that *"Costs reported by sponsors on average were about 5 percent higher than allowable reimbursement amounts."* Sponsors' administrative reimbursement rates should be brought to the level necessary to provide quality nutrition and wellness education, cover the transportation

costs of serving family child care homes in rural areas, and cover the costs of additional visits, and the time spent in helping low-income providers overcome literacy and language issues. Due to a recession influenced Consumer Price Index, sponsors administrative reimbursement rates were recently reduced by one dollar per home per month, forcing the elimination of jobs in these community-based organizations.

In the worse cases this has created situations such as the crisis in Los Angeles where yet another long term dedicated sponsor could no longer remain viable within the reimbursement rates. The loss of this sponsor left 5,000 children and over 700 providers unserved in a very low income community. The cumulative impact of so many sponsors dropping out is limited access to CACFP. Limited service can be a significant problem in both urban and rural areas.

In my state over the last 10 years, the number of sponsors dropped from 18 to only 10. A large challenge for serving Oregon is the size and geography of our state. While 67% of all caregivers are concentrated in 6 counties, providers in the very rural areas deserve to participate as well.

Retention of caregivers is challenging as they must remain eligible for the CACFP by meeting training requirements. We have worked to meet this challenge by developing and offering online courses. Online training in health and nutrition positively impacted our retention of child care providers in the CACFP as they now have access to mandatory training, regardless of where they live. Among other topics these trainings focus on serving more fresh fruits and veggies, low fat milk and whole grains and have a secondary benefit of helping them meet licensing requirements. Partnerships with local colleges and universities have allowed us to develop resources as there simply isn't enough money from sponsor reimbursements to develop these resources.

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.

Reducing the area eligibility test to a 40 percent threshold would lead to many more child care providers who serve low-income children becoming eligible, and many children in need being served 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 which is often less than nutritious.

Allow child care centers and homes the option of serving a third meal service (typically this would be a snack or supper), as was previously allowed. As parents work longer hours to make ends meet, many more young children are spending more of their waking hours in child care on work days. 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. Child care centers and homes used to receive funding for three meals, until Congress in 1996 cut out one meal to achieve budget savings. This penny-wise and pound-foolish step harms children's nutrition and health and weakens child care. 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.

Improve the nutritional value of the meals and snacks and the promotion of health and wellness in child care participating in CACFP. Direct the Secretary of Agriculture to issue proposed regulations updating the CACFP meal pattern, including recommendations for the reimbursements necessary to cover the costs of the new meal pattern, within 18 months of the publication of the IOM CACFP Meal Pattern report. In the interim, USDA should issue guidance, and provide education and encouragement for serving healthier meals and snacks consistent with the Dietary Guidelines with an emphasis on increasing consumption of whole grains, fruits and vegetables, and lower fat dairy and protein foods.

Streamline program requirements, reduce paperwork, and maximize technology to improve program access. This can be accomplished through the following no or very low cost proposals which will improve CACFP's ability to reach low-income families: 1) allow CACFP sponsoring organizations to plan multi-year administrative budgets using carryover funds, and to keep their earned administrative reimbursement using a "homes multiplied by rates" system; 2) direct the Secretary of Agriculture to reduce paperwork by eliminating ineffective and poorly targeted requirements including "block claiming;" 3) restore the right to advance funds; 4) allow CACFP family child care providers to facilitate the return of family income forms; 5) eliminate a barrier to participation by allowing the use of the last four digits of the social security number; 6) continue the USDA Paperwork Reduction Initiative; and 7) streamline program operations, increase flexibility, and maximize technology and innovation to reduce parent paperwork and allow sponsoring organizations and providers to operate most effectively. (Please see Appendix B for more details on the paperwork reduction proposals.)

In conclusion, while the CACFP has been and continues to be an important and beneficial child nutrition program, I would encourage the Committee to consider improvements to the program.

We strongly support legislation introduced by Representative Tonko, the Access to Nutritious Meals for Young Children Act. The program improvements in this bill will help to improve child nutrition, reduce hunger, and enhance child development and school readiness. Program improvements will also help reduce childhood overweight and obesity, a priority about which our First Lady is so passionate.

I encourage you to visit sponsoring organizations and child care homes in your districts. Seeing the program benefits first hand will further underscore the importance and opportunities available through the CACFP for playing a role in improving children's lives and reversing the childhood obesity epidemic. I am certain sponsors and providers would be thrilled to have you visit their programs personally to see the good work of this important program.

Thank you for this opportunity to share this information with you on behalf of sponsors across the country.

Appendix A

Food Research and Action Center

Child and Adult Care Food Program Benefits

Research has demonstrated CACFP's clear role in helping to assure good nutrition and high-quality, affordable child care. The program is a well documented success:

- The U.S. Department of Agriculture's ***Evaluation of the Child and Adult Care Food Program*** found that children in the Child and Adult Care Food Program received meals that were nutritionally superior to those served to children in child care settings without the Child and Adult Care Food Program.
- The Journal of the American Dietetic Association published a study, ***Dietary Intake of Children In Urban Day Care Centers***, comparing the intake of children at a center using the Child and Adult Care Food Program versus a non-participating center and found that children at the participating center had significantly higher intakes of many key nutrients, including protein, minerals, vitamins, and consumed significantly more servings of milk and vegetables, with fewer servings of fats and sweets, than the children at the non-participating center. Children from the participating center also had fewer days of illness than children from the non-participating center.
- The Economic Research Service's ***Maternal Employment and Children's Nutrition Volume 1, Diet Quality and the Role of CACFP*** reported, "An association was found between program participation and better overall diet quality (more fruit, milk and variety, and less total fat); reduced likelihood of food energy consumption below 90 percent of the average requirements; and lower levels of soda, other soft drinks, and added sugars. These differences especially favor children in low-income households."
- Findings from a recently completed study, ***It's 12 O'clock...What Are Our Preschoolers Eating For Lunch?***, found that when comparing the meals and snacks children brought from home to eat in child care without CACFP to the meals and snacks served in child care with CACFP, meals and snacks brought from home had significantly poorer quality than meals and snacks served by CACFP providers. (Children were sent to child care with a wide range of foods including items such as a McDonald's McGriddle with sausage.) Meal quality was higher for the CACFP meals which generally featured more fruits and vegetables, lean meat and milk.
- A study conducted by the Midwest Child Care Research Consortium reported, that "participation in the USDA Food Program was associated with quality. This association held true for family child care providers and for infant/toddler center-based regardless of the provider's education level." In the report, ***Child Care Characteristics and Quality***, researchers recommended using CACFP as a way to expand training and educational opportunities because "the USDA Food Program has been an important way to augment the quality of programs serving low-income children."

- The Families and Work Institute's ***Study of Children in Family Child Care and Relative Care***, cited participation in the Child and Adult Care Food Program as one of the major factors associated with quality care, reporting that 87 percent of the family child care homes considered to be providing good quality child care participated in the Child and Adult Care Food Program.
- The U.S. General Accounting Office's report, ***Promoting Quality in Family Child Care***, cited the effectiveness of the program: "*Because of its unique combination of resources, training, and oversight, experts believe the food program is one of the most effective vehicles for reaching family child care providers and enhancing the care they provide.*"

Appendix B

Improve CACFP's Ability to Reach Low-income Families by Streamlining Program and Paperwork Requirements (No or Very Low Cost Proposals)

- **Allow CACFP sponsoring organizations to plan multi-year administrative budgets, the use of carryover funds (similar to WIC) and the option to keep their earned administrative reimbursement using a “homes multiplied by rates” system similar to the new system recently enacted in the Summer Food Service Program.** Taking a lesson from the success of these administrative mechanisms in the WIC and Summer Food Service programs, sponsoring organizations should be given the flexibility needed to use their earned reimbursement to provide the best services to child care providers in CACFP. This would allow sponsors to make adjustments to budgets to account for the level of provider participation which is often difficult to predict. Under the current system, if a sponsor saves in an attempt to set aside funding for a future purchase, for example to buy needed equipment instead of paying more through a lease, they are penalized by the reimbursement structure and lose the reimbursement. In addition, sponsoring organizations, which now have to bring their budgets to a full and complete stop at the end of the fiscal year, are sometimes forced to cut back on necessary spending towards the end of the year to insure their costs do not exceed earned reimbursement.
- **Direct the Secretary to reduce paperwork by eliminating the ineffective and poorly targeted block claiming requirement.** The block claiming requirement has accomplished little except to generate an enormous amount of unnecessary wasted time spent filling out meaningless paperwork, driving around using up expensive gasoline, and alarming child care providers and parents for very little reason. A poorly defined edit check, such as the block claiming requirement, defeats the purpose and can actually be counterproductive as it pulls valuable resources away from legitimate control functions and programmatic objectives. Because the CACFP block claiming lacks specificity it identifies and funnels a large portion of false positives (legitimate claims) into higher intensity oversight, overwhelming other effective system of controls. All indications are that the vast majority of providers identified as block claiming under the rule are not over-claiming but are accurately recording a normal attendance pattern. These normal attendance patterns are reflective of a wide range of legitimate situations including homes with a small number of children.
- **Restore the right to advance funds for sponsors and child care centers to cover program costs upfront.** Some child care centers find it too expensive to pay all the CACFP food costs up front for several months before the first CACFP payment arrives. Advance funds, when a state chooses to offer them, can help to bridge that initial gap and ease the way for centers serving many low-income children to participate in CACFP. Some sponsoring organizations face similar problems and rely on advance funds. Sponsors regularly wait for up to two months before their claims for reimbursement are paid by the State. PL 104-193 reversed a long standing provision of the law and allowed states the option to eliminate advance funds. The right to advances should be restored to address access problems generated in areas where the funds have been removed.

- **Allow CACFP family child care providers to facilitate the return of participating children's family income form.** For parents willing to share their forms with their family child care providers this option could make participation in the program much easier. Parents can just hand their CACFP forms with their provider when they bring their child to child care. If the parent forgot to sign the document or failed to include other important information, the provider will be able to tell the parent right away and explain how to remedy it.
- **Eliminate a barrier to participation by allowing the use of the last four digits of the social security number.** Many parents are concerned about giving their full social security number on CACFP applications because of fears of identity theft. Using just the last four digits, like so many receipts and records these days, will allay parents fear and make them more willing to return the necessary CACFP forms for their children to participate in the program.
- **Continue USDA Paperwork Reduction Initiative.** We recommend USDA continue to build on the success of its Paperwork Reduction initiative including reconvening the work group.
- **Streamline program operations, increase flexibility, and maximize technology and innovation to allow sponsoring organizations and providers to operate most effectively.** There are a wide range of possibilities for accomplishing this goal, a number are listed below:
 - Allow the use of existing attendance records instead of re-counting heads at meal time and snack time. Detailed attendance records are kept every day at child care programs. These records are sufficient, when coupled with food purchase and meal service counts, to determine consumption of meals and snacks each day.
 - Allow *total counts* of meals and snacks served; stop requiring a name list and check-marks to indicate each individual child ate which meal and snack. Total numbers are sufficient for ensuring accountability of public funds to serve nutritious meals and snacks.
 - States should also accept electronic print-outs of daily attendance records. Currently, not all states allow this, and instead require providers to manually prepare an additional list to document attendance for CACFP records separate from the attendance records they keep for the child care center as a whole.
 - Establish permanent operating agreements for eligible child care programs with an annual update only if an update is needed to reflect program changes and to ensure continued compliance. If there have been no changes, there should be no update required. This would alleviate one of the many layers of paperwork involved in program participation.
 - Require states that require both income eligibility *and* enrollment forms to combine the forms into one. Parents should not have to complete two nearly duplicative forms.

- On parent information forms, collect only the last four digits of the Social Security number to prevent identify theft and ensure parent participation in the eligibility process.
 - Allow states to collect scanned documentation in place of duplicate paper copies. This would cut down on the need to make multiple copies of documentation, and to maintain those copies at the child center (and, for multi-site operators, reduce the duplicate paperwork also kept in the headquarters office). This would also reduce the quantity of paper and help CACFP to “go green.”
 - Allow two-year contracts with food vendors where possible. Allowing the opportunity to lock in a good rate for a two-year contract would be better than annual reapplications, and would save providers and state and federal agencies valuable time and money.
-