

## Introduction

The Child and Adult Care Food Program (CACFP) is a federal nutrition program that pays for nutritious meals and snacks for eligible children who are enrolled at participating child care centers, family child care homes, afterschool programs, and homeless shelters.

CACFP improves participants' nutrition, reduces obesity, strengthens the quality of early care, and helps boost and stabilize child care providers' income and services.



## Benefits of the Child and Adult Care Food Program



**Reduces Food Insecurity**



**Improves Dietary Intake and Health**



**Protects Against Obesity**



**Boosts Learning and Development**



**Boosts Providers' Income and Services**



**Strengthens the Quality of Child Care**



**Acts as Stimulus for Local Economies**

## Key Findings

CACFP saw a significant drop in the number of meals served as millions of children lost access to child care during COVID-19. Yet, CACFP remained a vital source of support for many children and their families by providing nutritious onsite and “grab and go” meals.

During the first seven months of COVID-19 (March through September 2020), CACFP served 480 million fewer meals, a 41 percent decrease, compared to the same months in 2019. As a result, CACFP child care providers' reimbursements decreased by \$690 million (-37 percent), a loss which creates instability in the infrastructure for providing child care in the U.S. Many child care providers have already been forced to close or stop using CACFP as evidenced by the 17 percent decrease in the number of CACFP outlets in March through September 2020 compared to the same months in 2019.

When children miss out on CACFP meals and snacks, it strains family budgets, contributing to food insecurity. To reach more families with CACFP, the Food Research & Action Center urges the U.S. Department of Agriculture to allow child care providers to serve an additional CACFP meal or snack, reduce paperwork through community eligibility options, broaden area eligibility to reach more rural and other underserved areas, and allow annual rather than monthly eligibility determinations for proprietary child care.

## Number of Meals Served

During the first seven months of COVID-19 (March through September 2020), CACFP served 480 million fewer meals, a 41 percent decrease, compared to the same months in 2019. Still, CACFP providers served 700 million meals from March through September 2020.

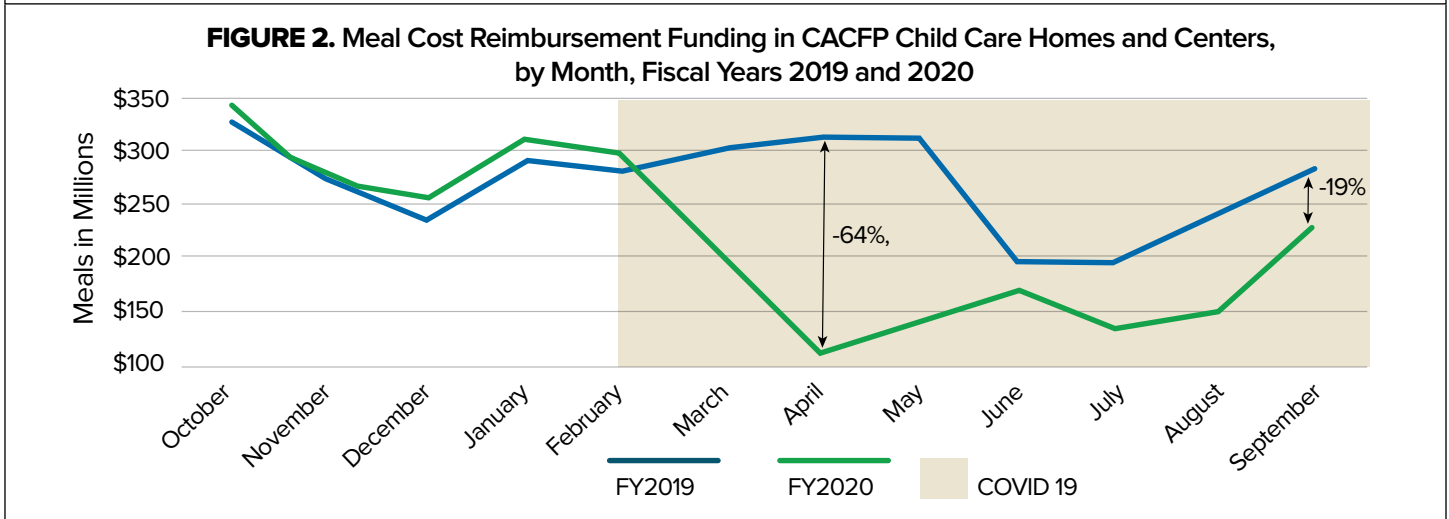
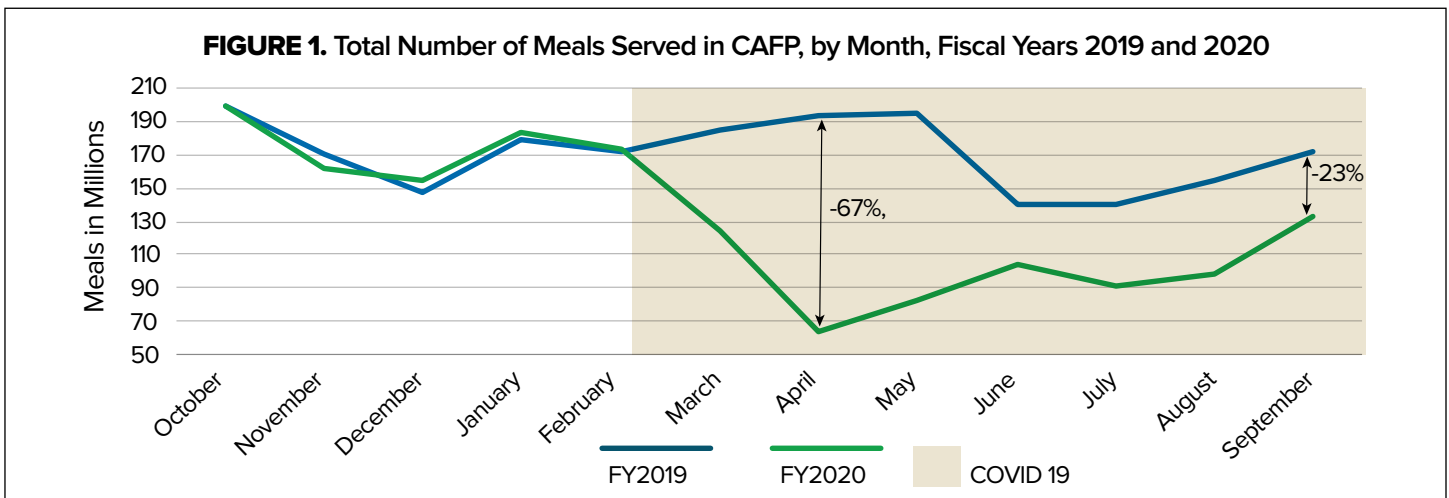
Before COVID-19, the number of meals served in fiscal year 2020 tracked closely with the number of meals served in the previous fiscal year. March 2020 is when the number of CACFP meals that were served began to decrease compared to the previous year, but April (-67 percent) and May (-58 percent) had the most extreme percentage decreases. The number of CACFP meals served seems to be following seasonal trends again but was still 23 percent lower in September 2020 when compared to the same month from the previous year. These trends are depicted in Figure 1.

## Reimbursements and Costs

### Meal Reimbursements

As a result of decreases in the number of meals served, CACFP child care providers' reimbursements were 37 percent lower (-\$690 million) in March through September 2020 than in the equivalent months in 2019. Rationally, trends in meal reimbursement closely follow those of the number of meals served, as seen in Figure 2. The most extreme meal reimbursement percentage decrease was in April 2020 (-64 percent when compared to April 2019). Reimbursements are still below the levels of the previous year, with a 19 percent decrease in September 2020 compared to September 2019.

The loss in reimbursement funding was more severe for child care centers than family child care homes. Comparing March through September 2020 to the same months in 2019, child



care centers' meal cost reimbursements dropped by \$606 million (-42 percent) and family child care homes' meal cost reimbursements dropped by \$84 million (-21 percent), as seen in Table 1.

Many child care providers have already been forced to close or stop using CACFP as evidenced by the 17 percent decrease in the number of CACFP child care outlets in March through September 2020 compared to the same months in 2019. Decreased meal cost reimbursements may have contributed to closures.

### Sponsoring Organization Reimbursement

CACFP family child care home sponsoring organizations experienced a 15 percent decrease in reimbursements in March through September 2020 compared to the same months in 2019, a drop of \$11.4 million throughout the U.S. (Table 1).

### Total Program Cost

Total program costs for CACFP fell from \$2.1 billion in March through September 2019 to \$1.3 billion in March through September 2020. Overall, \$741 million fewer dollars were provided to states to administer CACFP in March through September 2020 compared to the previous year, a decrease of 36 percent (Table 1).

### Average Daily Attendance

CACFP served almost 3.7 million children in average daily attendance (ADA) from March through September 2020. This is a 20 percent drop in participation compared to the 4.6 million children in ADA in March through September 2019. The ADA in child care centers decreased by 805,000 children (-21 percent) and the ADA in family child care homes decreased by 127,000 children (-19 percent).

Looking at the most recent data from September 2020, CACFP providers served 3.2 million children, which was 2 million fewer children than in September of the previous year and was a drop of 39 percent. This decrease highlights the ongoing challenges faced by CACFP providers.

The way ADA is calculated and reported does not fully capture the decrease in attendance during COVID-19. ADA is not designed to reflect an abrupt change in participation within a month, like the decrease that occurred in the middle of March 2020 in response to stay-at-home orders prompted by COVID-19. In addition, ADA is reported quarterly, not monthly, and is therefore a less responsive and less reliable measure of the impact of COVID-19 on CACFP when compared to monthly measures, like the number of meals served and reimbursement funding. Consequently, ADA underestimates the decrease in attendance during COVID-19 overall.

**Table 1. CACFP Reimbursement Funding, Outlets, and Total Costs, March through September FY 2019 and March through September FY 2020**

|  | Mar–Sept 2019   | Mar–Sept 2020   | Number Change  | Percent Change |
|--|-----------------|-----------------|----------------|----------------|
| <b>Meal Reimbursement Funding</b>            |                 |                 |                |                |
| Homes  | \$392,520,453   | \$308,616,242   | -\$83,904,211  | -21.4%         |
| Centers                                      | \$1,453,672,035 | \$848,036,103   | -\$605,635,933 | -41.7%         |
| Homes and Centers                            | \$1,846,192,488 | \$1,156,652,345 | -\$689,540,144 | -37.3%         |
| <b>Sponsoring Organization Reimbursement</b> | \$75,079,041    | \$63,667,237    | -\$11,411,804  | -15.2%         |
| <b>Number of Child Care Outlets</b>          |                 |                 |                |                |
| Homes  | 91,257          | 79,075          | -12,182        | -13.3%         |
| Centers                                      | 65,078          | 50,937          | -14,141        | -21.7%         |
| Homes and Centers                            | 156,335         | 130,012         | -26,323        | -16.8%         |
| <b>Total Program Cost</b>                    | \$2,082,445,666 | \$1,341,180,559 | -\$741,265,107 | -35.6%         |



## Significance

Children are not getting CACFP meals and snacks, which can strain family budgets, contributing to food insecurity and fewer healthy meals for children at home.

To reach more families with CACFP, it will be important in the upcoming Child Nutrition Reauthorization to strengthen the program by allowing child care providers to serve an additional CACFP meal or snack, reducing parent and provider paperwork by creating community eligibility options for child care centers, broadening area eligibility to reach more rural and other underserved areas, and allowing annual rather than monthly eligibility determinations for proprietary child care. Strengthening CACFP as a vital support to families and caregivers during COVID-19 and the future is fundamental to the administration's commitment to the caregiving workforce.

Additionally, child care providers and sponsors are losing out on reimbursements needed to support fixed costs. This loss contributes to deficits in already overburdened child care budgets, and creates instability in the infrastructure for providing child care to many families across the nation.

The latest COVID-19 relief package provides emergency funding to support CACFP child care providers and sponsors by replacing 55 percent of the total reimbursement funding



lost from mid-March to June 2020. These emergency payments will infuse millions of dollars into small businesses and are a substantial down payment on preserving CACFP and quality child care in the U.S. Emergency payments should be continued past June 2020 to address the ongoing need as evidenced by persistent deficits in CACFP reimbursement funding through the latest available month of data, September 2020.

