



CCFP Roundtable
1000 N. Alameda St., Suite 240
Los Angeles, CA 90012

National CACFP Forum
2751 Buford Hwy NE, Ste 500
Atlanta, GA 30324

March 31, 2020

Dear Senators and Representatives,

The [Child Care Food Program \(CCFP\) Roundtable](#) and the [National CACFP Forum](#) are organizations that work to promote access to nutritious meals for children and adults across the country through the Child and Adult Care Food Program (CACFP). We work closely with child care centers, family child care homes, and CACFP sponsoring organizations across the nation. We are gravely concerned about the impact of the COVID-19 crisis on future of our child care system and what that means for families who rely on their care.

Over the past few weeks, the nation has witnessed the importance of the essential supportive services that our child care system provides, including access to food. Child care providers are on the front lines caring for children of health care professionals, first responders, grocery store workers, and other essential industries. At the same time, many child care facilities have lost the majority – if not the entirety – of their student enrollment. Child care sites have been forced to close their doors and lay off staff. With the dramatic uptick in unemployment it is unfair and unrealistic to ask families to financially bolster the child care system through the COVID-19 crisis.

The CACFP is an important, but often unrecognized, component of child care. At its core, it is a nutrition program that provides funding for healthy meals and snacks served to children in child care and other authorized facilities. The regularity and dependability of the fiscal CACFP resources that come into child care centers' and family child care homes' budgets each month allows these sites to serve food and also bolsters financial viability for their businesses. Child care sites depend on these resources to make ends meet and without CACFP funding, their ability to maintain a business is in jeopardy.

The CACFP operates at three different “levels” in the community: (1) children/families, (2) child care provider (center or home), and (3) sponsoring agency (of centers and/or homes). All three of these levels of CACFP are critical to the program’s success and if one level is under-funded, all are at risk. Even prior the COVID-19 crisis and especially now CACFP budgets are extraordinarily tight and there is very little room for unanticipated costs or losses. The COVID-19 economic crisis has fundamentally changed the way CACFP works and how these different levels are (or are not) receiving federal funding during this time.

Children and Families

Congress took important action to support access to food through the *Families First Response to Coronavirus Act* (signed into law on March 18). This bill included key provisions that allow USDA to extend flexibilities to states and child nutrition program operators (including CACFP) in order to maintain children’s access to food throughout the extent of the COVID-19 *public health* crisis.

Congress also passed the recent \$2 trillion federal stimulus package, known as the *CARES Act* (signed into law on March 27), which, among many other investments, sends money directly to Americans and expands unemployment coverage. These resources are important investments in supporting families’ financial needs throughout the extent of the COVID-19 *economic* crisis.

Child Care Providers and Sponsoring Organizations

The actions taken by Congress are good down-payments that will provide some immediate and short-term relief to the child care system (e.g., the lending program for organizations (which may or may not reach child care) and \$3.5 billion in additional funding through the Child Care Development Block Grant). However, they are not enough to ensure that child care sites will be able to re-open their doors or that the child care system can weather the enduring COVID-19 economic crisis we face.

The role of the sponsoring agency is integral to the functionality of CACFP and the child care system at large. Sponsors are the organizational backbone for the majority of participants accessing CACFP. When the COVID-19 crisis calms, the many small businesses of child care will not be able to rebuild themselves if there is not a CACFP sponsor in place to offer access to the financial and nutritional benefits of the program.

We ask that Congress take quick action to preserve the infrastructure and capacity of CACFP - that is needed for the duration of the COVID-19 emergency and will be needed again when activity returns to normal. It is vitally important to the strength of the economy to sustain the viability of the CACFP. We recommend an economic package that maintains funding for:

- ⇒ Child care centers and homes participating in CACFP: all the family child care homes and many child care centers participating in CACFP are small businesses and many are employers in their communities; and
- ⇒ The network of community-based sponsoring organizations that support good nutrition in child care through administering CACFP to family child care homes and centers.

At the very minimum, CACFP child care homes, centers, and sponsoring organizations need support throughout the duration of COVID-19 crisis to cover the allowable and ongoing costs of labor, operations, and administration of the program. Similar to school food authorities (SFAs) operating the National School Lunch and Breakfast Programs, CACFP operators experience regular costs associated with labor and administration. This is well-documented among SFAs and should be applied to CACFP in this time of crisis. According to a 2019 study by the USDA, food accounted for 45 percent of the average SFA's reported costs, while labor and administration (e.g., supplies, contract services, capital expenditure) accounted for 55 percent of reported costs.¹

We seek to sustain normal levels of reimbursements for CACFP operators and urge Congress to consider guaranteeing, at a minimum, the fixed administrative and operating costs, as estimated below. These fixed costs include, as clearly defined under FNS Instruction 796-2, Revision 4: (1) expenses for planning, organizing, and managing a Program (e.g., salaries, wages, fringe benefits); (2) depreciation and use allowances on buildings and equipment used for common or joint objectives; (3) operating and maintaining facilities; (4) salary of the receptionist and central accounting staff; and (5) communication and technology costs (e.g., costs of supplies, services, and equipment such as landline telephones, cellular telephones, Automatic Data Processing (ADP) equipment and supplies, ADP software, fax, Internet and connectivity services, postage and messenger services). The best way to calculate the percentage of CACFP reimbursement that is allocated to administrative and operating costs varies by the type of CACFP institution or facility.

Below, we offer recommendations for how to financially support the child care infrastructure through targeted CACFP investments:

Family Child Care Homes

- For the duration of the COVID-19 emergency, the total monthly reimbursement for a family child care home would be based on the total number of meals and snacks claimed

¹ U.S. Department of Agriculture, Food and Nutrition Service, School Nutrition and Meal Cost Study Final Report Volume 3: School Meal Costs and Revenues by Vinh Tran et al. Project Officer, John Endahl, Alexandria, VA: April 2019. Available online at: <https://fns-prod.azureedge.net/sites/default/files/resource-files/SNMCS-Volume3.pdf>.

in October 2019, if higher than the current month. We can safely estimate that about 55 percent of this reimbursement covers fixed administrative costs.

Child Care Centers

- For the duration of the COVID-19 emergency, the total meal reimbursement for a child and adult care center would be based on the larger of (1) average reimbursement per child per day per site in January and February 2020 multiplied by the number days in the claiming month, or (2) the meal reimbursement claim for the current month. We can safely estimate that about 55 percent of this reimbursement covers fixed administrative costs.
- For the duration of the COVID-19 emergency, for-profit child and adult care centers participating in the CACFP would maintain the institutional income eligibility established in February 2020.

CACFP Sponsoring Organizations:

There is great variability among sponsoring organizations' fixed administrative costs. Furthermore, administrative costs have increased during the COVID-19 crisis, despite a likely reduction in claiming from sponsored homes and centers. Unexpected expenses include laptops, scanners, and communication software to equip staff who are now working from home, which certainly outweigh other potential savings (such as a reduction of mileage as a result of not requiring monitoring visits). Sponsoring organizations are in dire need of a financial gap fill so that they can maintain their programs through the COVID-19 crisis and return to normal business following the pandemic. Each sponsor has a budget, costs, and a history of monthly reimbursement levels that can be verified by their state agency and used to inform calculations to standardize emergency funding.

- For the duration of the COVID-19 emergency, the total monthly administrative payment to sponsors of family day care homes and centers would be calculated as the difference between actual monthly administrative payment during the COVID-19 emergency and, at the election of the sponsoring organization, one of two methods:
 1. Compare the monthly administrative payment during the COVID-19 emergency to the approved state budget to determine the difference.
 2. A formula calculating the short fall between the monthly CACFP reimbursement received and the monthly administrative costs including rent, payroll and utilities.*

** It's necessary to have the second option because some sponsoring organizations don't account for administrative costs within their CACFP budget process. Consequently, it will not reflect their operating costs.*

Our nation's child care system was vulnerable and undervalued before COVID-19; without substantial and dedicated federal investment it is likely to come completely undone.

We stand in solidarity with our early childhood and child care advocacy partners in asking for increased support for child care centers and family child care homes. In addition, on behalf of the CACFP community – an essential part of our child care infrastructure – we ask that you prioritize targeted CACFP investments (as listed above) to ensure that the nation's child care system can survive through the COVID-19 crisis and sustain into the future.

As a nation, we are facing a significant challenge. The child care and CACFP communities are seeking bold and visionary leadership from Congress. The CCFP Roundtable and the National CACFP Forum sincerely appreciate your consideration of the unique needs of CACFP as you work to craft the necessary federal response to the economic impacts of the COVID-19 emergency. If you have any questions, please contact Elyse Homel Vitale (elyse@ccfprounhtable.org), Reynaldo Green (Reynaldo.Green@qccga.org), or Jodi Kuhn (jkuhn@gmail.com).

Sincerely,



Elyse Homel Vitale, MPH
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Reynaldo Green
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