

Child and Adult Care Food Program STATE MEAL REIMBURSEMENT BUDGET CUT

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ISSUE & NEED

The prolonged economic downturn has greatly impacted families with children. Recent data confirms that, increasingly, California children are living in poverty. Nearly 1 in 4 children (22.8%) live below the federal poverty level, whereas in 2007 the rate was 17%. By providing a safe and affordable haven for children, subsidized care is key to parents and guardians' capacity to seek and retain employment. Assuring that child care providers can afford to serve nutritious foods is critical to quality care.

HISTORY

Despite a vast body of research demonstrating that spending on child care and development reaps a high return on investment, California child care has taken more than its fair share of cuts. Over the last five years the CalWORKs child care budget has been reduced by one-third and the non-CalWORKs child care budget has been reduced by 16%. Last year Governor Brown blue-penciled \$10.1 million, a relatively small but significant amount to child care, from the non-Proposition 98 General Fund, which was designated as state supplemental meal reimbursement to the federally-funded Child and Adult Care Food Program (CACFP) for participant child care centers and nonprofit sponsor organizations of family child care (FCC) providers.

Advocacy efforts by child care stakeholders last year were successful in gaining the attention of the Assembly and Senate budget committees, who restored the funding for CACFP state meal reimbursements in their version of the budget. Unfortunately, Governor Brown ignored the legislators' stance on child care nutrition and blue-penciled this item back out of the budget. The state funding for CACFP had been in place since 1975 and supported the serving of nutritious foods to children in child care. In California, nearly 24,000 child care facilities participate in CACFP, translating to nearly 600,000 children served. Of these child care facilities, approximately 90% are non-Prop 98 agencies.

SURVEY RESULTS

In March 2013 the Child Care Food Program Roundtable conducted a formal survey to collect data specific to the impact of the state meal reimbursement cut for California's Non-Proposition 98 CACFP. A total of 170 participants completed the survey: 30 nonprofit sponsor organizations of centers and/or FCC providers and 140 child care centers. The following are a few major results from the survey:

- ▶ Centers reported losing an average of \$8,270 from their budgets.
- ▶ Nonprofit sponsors reported losing an average of \$28,500 in administrative reimbursement.
- ▶ 12% of center sponsors reported closing a center as a result of the budget cut.
- ▶ 29% of FCC sponsors had to drop providers, the majority from low-income or rural communities.
- ▶ 27% of centers reported cutting back on the nutritional quality of foods served, including fresh fruits & vegetables, whole grains, and higher quality meats.
- ▶ More than half of FCC sponsors reduced or eliminated provider training, including nutrition education.

The state meal reimbursement cut affects the vitality of California's child care workforce and the healthy development of children who depend on their child care provider for nutritious meals and snacks. The integrity and effectiveness of CACFP, which in the past has been noted for serving higher quality foods and providing unique resources to child care providers, is at jeopardy without this longstanding support from the state.

REQUEST

Restore funding for child care nutrition! We are requesting the Assembly and Senate Budget Committees restore the \$10.1 million for CACFP state meal reimbursements in their version of the budget. Additionally, as the overall state budget environment improves, keep in mind the importance of early childhood nutrition and explore strategies for reinvesting in child care programs.



REPORT ON SURVEY OF SPONSORS ON IMPACT OF STATE MEAL REIMBURSEMENT CUTS IN JULY 2012

During the first week of March 2013 the Child Care Food Program Roundtable conducted a formal survey on the impact of the elimination of state meal reimbursement on California's Non-Prop 98 center and home sponsors of the Child & Adult Care Food Program (CACFP). Here are the facts; we can supply the narrative.

Family Child Care Homes –

Impacts on Children:

- 113 providers were dropped from the food program by home-only¹ sponsors. The majority were in low-income and/or rural areas.
- 62 additional providers dropped out of the food program, as a result of the cuts.
- 47.6% of home-only sponsors had to reduce or eliminate their outreach activities making it more difficult for children to receive the benefits of food program participation.
- 52.4% of home-only sponsors reduced or eliminated provider training which could lead to their being terminated from the program for noncompliance again denying access of children to program benefits.
- 57.1% of home-only sponsors reduced or eliminated nutrition education for providers making it more difficult to ensure that children receive the highest quality meals.
- 52.4% of home-only sponsors reduced monitoring. This puts in jeopardy program integrity and could result in termination leaving children without the benefits of the food program.

Impacts on Sponsors:

- All home sponsors reported losing an average of \$28,500 in administrative reimbursement.
- 77.8 % of all home sponsors reported cutting hours worked for their staffs.
- 54.5% of all home sponsors reported cutting benefits for CACFP staffs.

Noteworthy Comments:

- “If we are unable to find continued funding for the expenses not covered and continue to see a drop in participation we will stop sponsoring the food program.”
- “We have less staff to do the same work. Staff is stressed because they can not get all the work done in time.”

Child Care Centers –

- 67% of the children participating in the surveyed centers were qualified for free or reduced-price reimbursement.

¹ Home-only sponsors are generally larger, have no other sources of funds or programs and cannot spread the impact around like a home and center sponsor that is usually a multi-service agency.

Impacts on Children:

- A total of 15 child care centers were closed by center sponsors responding to the survey, putting those children out of the food program.
- 12.4% of center-only sponsors eliminated their AM Snack and 10.1% eliminated their Supper meal jeopardizing children's health.
- 27.3% of all center sponsors cut back on meal quality jeopardizing children's health:
 - 75.7% cut back on fresh fruits and vegetables;
 - 54.1% substituted lower cost meats;
 - 35.1% reduced whole grains.
- 65.7% reported other impacts such as relying more on food banks for food, using Head Start funds budgeted for services to families on food, using general funds to supplement the food budget, reducing meals to volunteers, and cutting back on portion sizes to minimums.
- Six center sponsors reported asking parents to bring food from home which has been shown in recent studies to be of inferior quality and less healthy; one other reported considering it.
- Three center sponsors reported that they might have to close down their program; one other sponsor indicated that they will close their center down for 3 weeks a year so they don't have to serve food on those days.

Impacts on Sponsors:

- \$8,270 is the average amount cut from responding center's food program budgets.
- 22.9% of all centers reported cutting CACFP staff.
- 20.7% of all sponsors reported reducing wages, 62.2% of the time by cutting hours, jeopardizing safety.
- 48.5% of all sponsors reported reducing benefits.
- 22.1% of all sponsors reported raising parent fees by an average of \$32.

Noteworthy Comments:

- "In light of changes and fears of more to come, our executive director is considering cutting the food program entirely and having children bring lunches from home.... A very bad idea for children and families."
- "May have to close program."
- "It is always a concern to know we can meet the needs of the children we serve; we are self sustaining and receive no additional assistance besides the CACFP so as that is reduced and enrollment drops we struggle to meet all expenses."
- "To balance the budget due to these cuts, we had to transfer expenses to program's operational budget. So the impact of these cuts not only effected the quality of food served in our program but also the quality of other services since our preschool and school-age programs had to find additional monies from their programs to support our costs."
- "We have less staff doing more work and there is a larger margin for error. Staff is working under stress all the time knowing that they do not have time to do everything that needs to be done."