

## Child Nutrition Reauthorization Critical Priorities

The following recommendations will serve to reduce barriers, increase access and improve equity to combat food insecurity for both providers and families.

### ***Priorities to Increase Program Viability***

#### **Allow Child Care Centers, Family Child Care Homes and Adult Day Care the Option of Serving an Additional Meal**

Allow child care centers, family child care homes and adult day care centers the option of serving an additional meal (typically a snack or supper). Many children are in care for more than eight hours per day as their parents work long hours to make ends meet. Thus, parents rely on child care providers to meet a majority of the children's nutritional needs. CACFP providers, which are essential to the economy and workforce, should receive funding for up to three meals and one snack per day.

#### **Increase Reimbursement Rates for Family Home Child Care Providers in Order to Support Improved Meal Service**

As food business operational costs rise, we continue to support a reimbursement rate increase for family home child care. These rates are tied to the Consumer Price Index for food eaten at home which has minimal variance. Family home child care rates should be based on the same index as child care centers in order to be sustainable on the food program.

#### **Allow CACFP At-Risk Afterschool to Operate Year Around**

The At-Risk Afterschool program currently operates only during the school year. We support allowing the At-Risk Afterschool (ARAS) program to run year-round. The ARAS program has a solid infrastructure, in place for 10 months of the year, with strong program integrity, enrichment activities and nutritious meal patterns. Allowing the ARAS program to operate all year would reduce the administrative burden on programs and continue serving children in need already participating at these facilities. ARAS sites are not only located in schools but also in a large number of other sites such as child care, parks and recreation, libraries, community centers and more. We support allowing a site to choose from either the ARAS or Summer Food Service Program year around, building on community needs.

### ***Five Priorities to Increase Program Access by Expanding and Streamlining Eligibility***

#### **Reduce CACFP Area Eligibility Test**

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 needs to be expanded to reach more low-income families in rural and suburban areas.

#### **Support the Creation of the Community Eligibility Provision for Child Care Centers**

Create a CEP for child care centers participating in CACFP. Allow child care centers to participate in CACFP without collecting income applications. Community eligibility relies on direct certification and categorical eligibility to establish a claiming percentage instead of income from income applications. This has been a successful mechanism in low-income schools.

### **Allow Annual Eligibility for For-Profit Child Care Centers in CACFP**

A for-profit center is eligible for participation based on the income level of the families they serve; they will qualify if at least 25% of the children are within income guidelines for free and reduced meals. Eligibility must currently be verified every month. All other CACFP programs have eligibility determinations that last for one year (income) up to five years (school or census). This monthly requirement has created a burden for the center and/or the sponsoring organization. Allowing eligibility to be determined annually will decrease the administrative burden and significantly reduce potential errors, therefore freeing up administrative funds for other CACFP requirements such as training.

### **Allow Expanded Area Eligibility for At-Risk Afterschool Programs**

Some afterschool programs serve all low-income children, yet the area school district does not reflect the income level of children served. If children are being transported by bus from a school with low-income families to the At-Risk site, allow the predominate school percentage to meet the At-Risk qualification.

### **Set Center Reimbursement Rates Annually**

Blended or percentage formulas used to determine reimbursement rates should be in effect for one year. The current regulation states that the state agency shall assign rates of reimbursement, not less frequently than annually. This has given state agencies the ability to set these rates as often as monthly creating additional paperwork, increased margins of error and significant time spent to determine the correct rate. Once centers can determine eligibility less frequently, it would make sense to have the rate determination follow the same time frame.

### ***No Cost Priorities***

#### **Allow Increased Flexibility for Carry-Over Funds, Including the Ability to Carry Over Losses**

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.

Conversely, regulations do not permit the carryover of any losses for centers or sponsors of homes or centers. This is vital part of a successful business model. By allowing losses to be carried over, these businesses (child care facilities and sponsors) have an opportunity to recover the losses and move towards a budget that will keep them viable.

#### **Monitor and Evaluate State Agency Add-Ons to Federal Regulations**

Monitor and evaluate additional rules or restrictions added by State Agencies to Federal Regulations. These additional state requirements create barriers of participation, result in increased operational costs and threaten program integrity. This practice of layering on rules and restrictions impact state by state program participation and result in some children in need not receiving benefits. Examples range from food allowances to administrative procedures that become costly and burdensome. NCA feels that the Federal Government has a comprehensive and doable set of requirements that do not need to be increased at the state level. Additional state requirements should be evaluated for their impact on participation.

### **Support the Recommendations of the Paperwork Reduction Work Group**

We support the recommendations of the USDA Paperwork Reduction Work Group’s “Report to Congress: Reducing Paperwork in the Child and Adult Care Food Program”, which included streamlining program requirements, reducing paperwork and maximizing program access.

*Recommendations include:*

- Modernize applications and implement the use of technology
- Expand the use of direct certification to all states
- Implement 3-year enrollment forms for family day care homes
- Simplify the use of expansion funds for rural and low-income areas

### **Eliminate the Ounce Equivalent Requirement**

Allow meal planners at day care homes and centers in the CACFP to credit grains served as part of a reimbursable meal or snack on household measures (e.g., cups or ‘servings’ of bread and other grain-based foods) instead of “ounce equivalents”. This rule has been delayed once due to the significant confusion and burden it creates for participants in the CACFP. With small businesses already diverting critically important resources to the added health and safety measures brought on by the pandemic, additional resources to support this change are not available. While FNS has created additional tools to help explain the ounce equivalent requirements, the rule, if implemented will become a barrier to participation.

### **Allow Serious Deficiency (SD) Determinations to be Appealable**

When non-compliance in the CACFP is severe, the SD process is reasonable and appropriate. However, clarification and technical assistance is needed. The SD process should be transparent and consistent across states and should be used to address severe and pervasive issues of program non-compliance that critically impact program integrity. It should not apply when addressing minor infractions which are often human error and can be corrected with training and technical assistance. The Serious Deficiency designation should be appealable by an institution or child care home and upon correction be rescinded. Currently, it is only temporarily deferred and there is no opportunity for minor violations to be erased from institution’s or child care home’s file. Therefore, a future instance of the same minor infraction at any time, ever, could result in termination without the option to correct the infraction. We fear that the SD process limits CACFP participation by providers, centers, afterschool programs, and potential sponsoring organizations who are not willing to risk their professional reputation due to minor, non-systemic, administrative errors.

### **Support the Creation of a Permanent Work Group to Provide USDA with Ongoing Support.**

We support the authorization of a permanent representative work group with a rotational membership to support the USDA.

### **Support Adding “providers, parents and participants” to the Nutrition Education Provision**

This ensures State Agency and sponsor funds may be used to educate all.