

# COVID IMPACT ON THE CACFP

JUNE 2020



**The Child and Adult Care Food Program (CACFP) community recognizes and appreciates the efforts of Congress and the USDA in support of feeding children. Waivers have been an important tool in response to the pandemic. CACFP operators are in overwhelming need of direct and significant financial aid outside of current program funding. Child care and the CACFP community are on the brink of collapse and facing imminent threat of shutting down.**

COVID-19 has impacted CACFP operators and child care businesses with severe financial challenges.

A majority of sponsors indicate that the CACFP functional activities (monitoring, claims processing, training) will be compromised by funding losses, some sponsors have reported imminent closure without immediate financial assistance, and half anticipate inadequate resources, layoffs, non-compliance or closure within six months.

COVID-19 impact has diminished the reach and access to CACFP across the nation. Sponsors and providers have expressed concern about the ability for child care to support an economy that relies on families getting back to work and feeling secure about their children's well-being including nutrition and emotional support. Slim margins and decreased income are negatively affecting child care capacity and for CACFP, the effects have been damaging to child care providers and CACFP sponsoring organizations alike.

For family child care sponsors, the decline in claimed homes averaged 27%, with 400,000 fewer children being served in a February 2020 to May 2020 claim comparison. For the same time period, center sponsors reported a 72% drop in participating centers claiming, equaling 1.4 million children having lost access to food through the CACFP.

At-Risk After School (ARAS) participating sites dropped to zero in April and May 2020 due to school closures in nearly all states, with over 1 million school aged children no longer had access to a fourth meal.

Family home sponsoring organizations reported the loss of half of their administrative funding and those from both rural and major metropolitan areas are anticipating closure of their agencies. Only half of all organizations received Payroll Protection Program (PPP) loans.

Closures of service providers translates into less access to benefits and fewer children reached by CACFP now and in the future.

An overwhelming majority, up to 95%, believed that all waivers should be extended with about 10% noting that the waivers needed modification and these were almost exclusively regarding the need to change the monitoring waiver.

A key consensus point among those surveyed is that a majority of providers show resistance to reopen at the risk of health and safety for families and employees. Massive unemployment has reduced the need for childcare, and the support provided by CACFP is diminishing. In some states, federally allowed advance payments are not utilized by state agencies to help sponsors meet costs.

The greatest need cited was financial, namely: USDA action to increase reimbursement rates (63%), additional federal business stimulus funds, loans and grants, (57%), increased administrative reimbursement rates (46%), emergency Free rates for all children in child care centers (43%), and the payment of all family child care homes at Tier One rates( 34%).

*“Children count on us to get a meal.*

*Our hearts are aching knowing our children, many already in poverty, could be starving.*

*We have staff willing to get food to these children if only we had funds available and a plan.”*

The majority of sponsoring organizations are showing concerns about disease transmission and spread during the monitoring of facilities. Due to the personal contact nature of the child care services industry, 78% of respondents expressed a challenge in navigating the new work environment in CACFP. Parental contacts, cooking and meal service, and monitoring are all close interpersonal activities.

Additionally, access to sites is limited by state and local regulatory agencies to mitigate or suppress disease infection. While 42% of respondents reported that the monitoring waiver had a positive and useful impact on their organization’s ability to manage the program in the pandemic, Sponsors are expressing the need for expansion to include allowing desk reviews for normal ongoing required reviews for sites during the pandemic and for the extension of the waiver to coincide with the expiration of other COVID-19 waivers for health and safety of their employees.

Sponsors of homes and child care centers are reporting closure of facilities, some permanently. Chief program concerns include: shortage of required foods; increased costs for new operating standards in health and sanitation, staff retention, and reduction of staff at the sponsor agency and site levels.

Compliance with increased safety guidelines require additional funding. Fixed cost restraints and decreased revenue are putting a severe stress on continued viability to successfully manage the program. Due to CDC recommended smaller class sizes, centers are serving fewer children to accommodate 50% of the children served pre COVID. Sponsors are anticipating a permanent shortage of child care slots as family child care and centers are closing.

Center sponsors report that USDA waivers have been helpful in feeding enrolled children at home through grab and go delivery, especially for day care centers where there is decreased attendance but great need for meals. School program non-congregate sites have not filled the gap for delivering meals in many areas. The ability to serve children through the At Risk at traditional daycare with the current waivers has helped feed the hungry children in economically devastated communities. The need is enormous. At Risk centers serving CACFP suppers and snacks has supplemented meal service provided by schools for breakfast and lunches.

Many school-based CACFP programs are currently not operating and many of those operators’ fixed costs remain high despite substantial income shortfalls. Continued uncertainty for school-based operators on school openings and unknown impact on programs that use school department spaces remains. ■



### **About the Survey**

*This survey is the collaborative effort of the National CACFP Sponsors Association (NCA), the National CACFP Forum, the CCFP Roundtable and the Food Research Action Center (FRAC) to provide a current assessment of the effects of the COVID-19 global pandemic on the CACFP.*

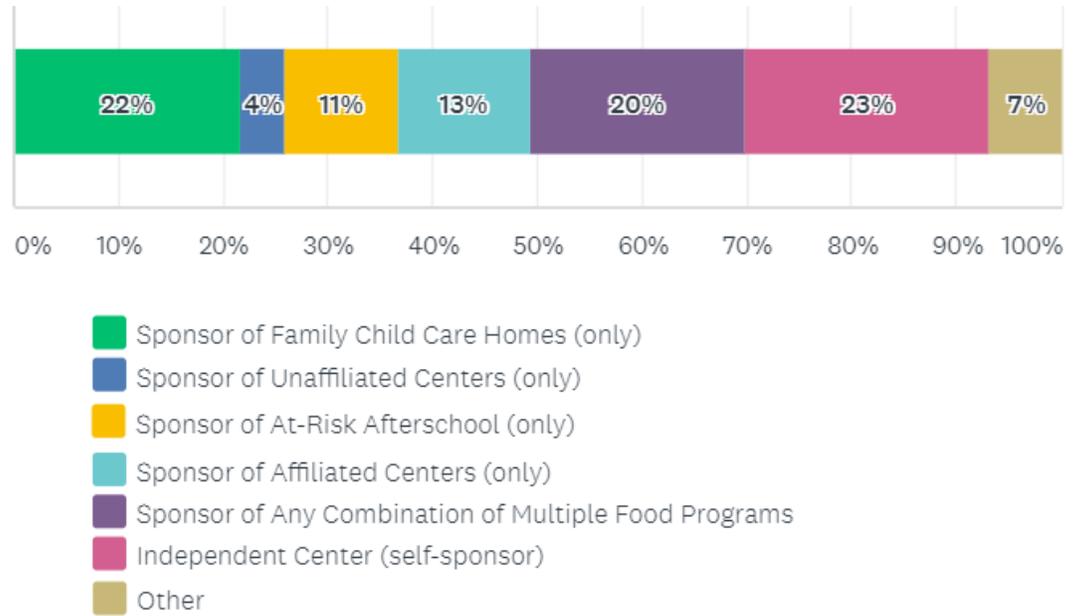
*The CACFP is administered by state agencies and US Territorial Governments and Tribal nations. In 2019, the CACFP fed two billion meals to 4.7 million children and adults in a variety of pre-school and after school settings, emergency feeding sites, adult day care centers, and public and private non-residential institutions.*

*The survey collected data and specific response narratives from 1222 respondents in multiple operational segments of the program from June 26 to June 30, 2020.*

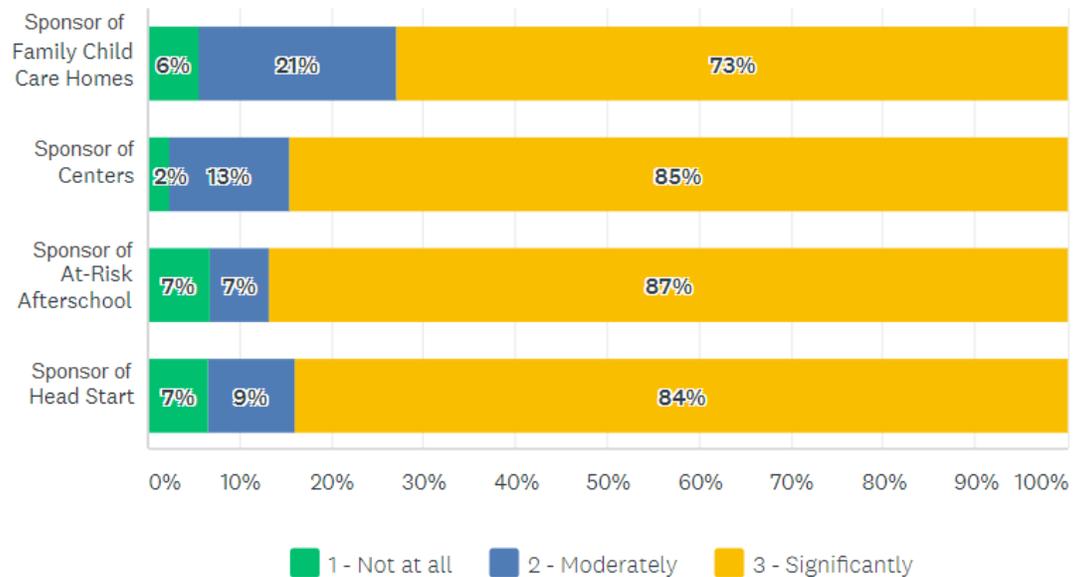
*“I’ve put all my retirement savings in to build this business and it has been a very successful one until now.*

*I pray I make it through daily.”*

## Organization Responding

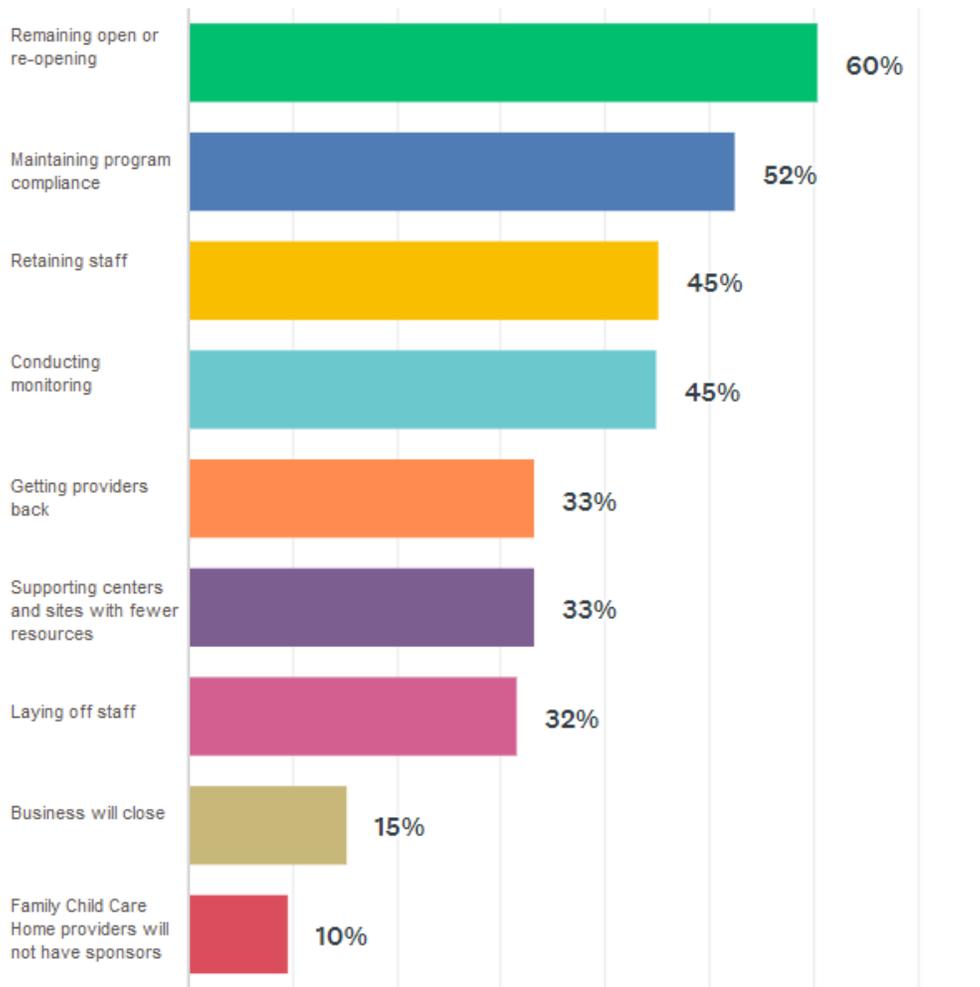


## How severely has the COVID-19 crisis impacted your organization?



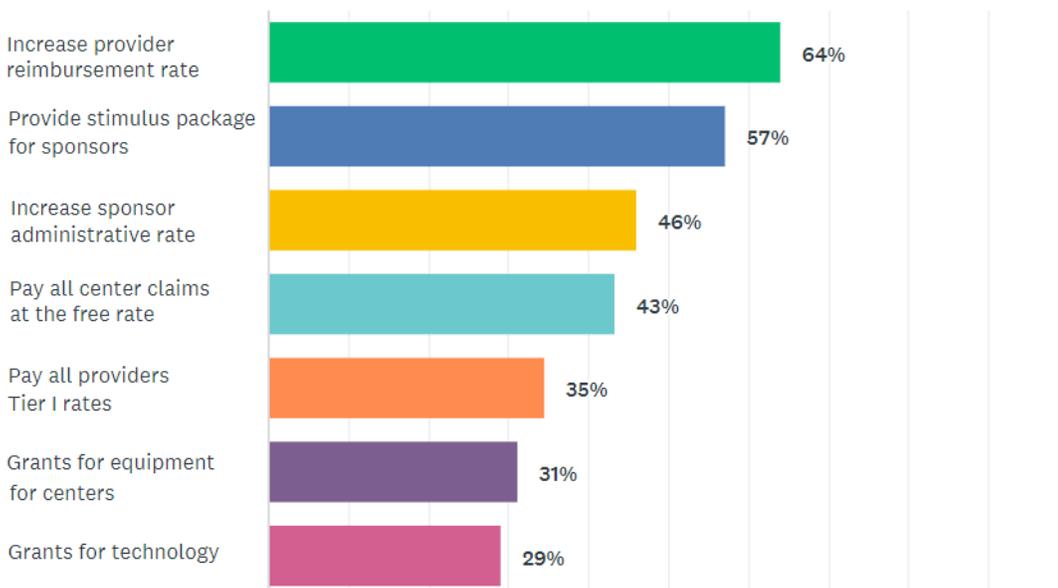
*“The ability to buy food at needed amounts is a burden when the store you shop at has limits on the number of items you can buy. When you do find something, it’s more expensive!”*

## What are your top CACFP concerns regarding the COVID-19 crisis?



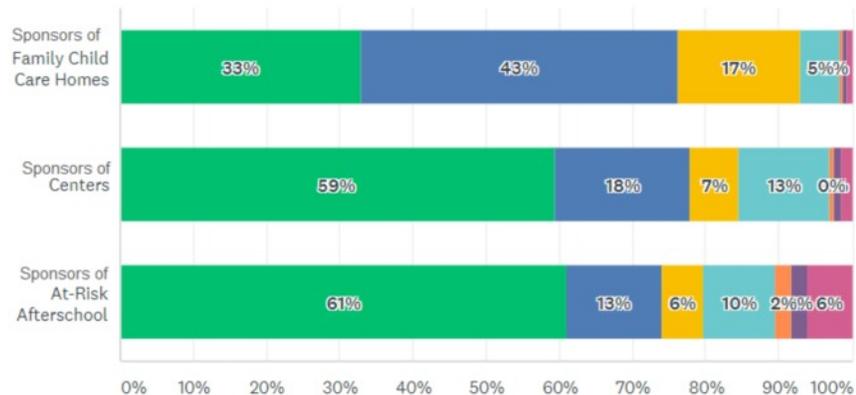
*“Children are not getting fed.”*

## What can the USDA do to help CACFP operators over the upcoming months?



*“Suspend all onsite monitoring reviews until a vaccine is widely available. We need to ensure the health, wellness, and safety of our staff, providers, and the children in care.”*

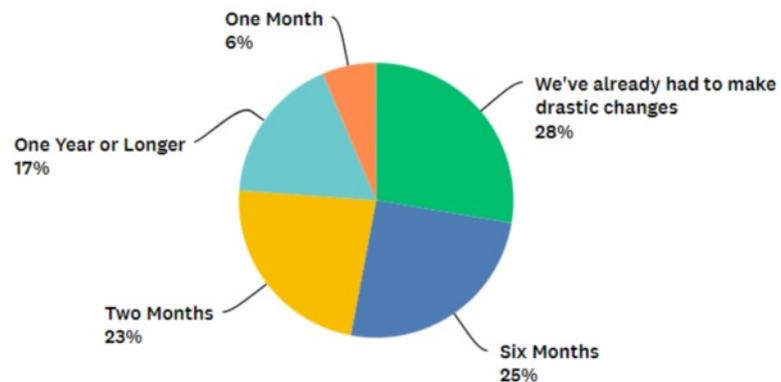
## How has COVID-19 affected your administrative reimbursement?



*“COVID-19 has changed all of our lives. Families across America are struggling with new financial burdens.”*

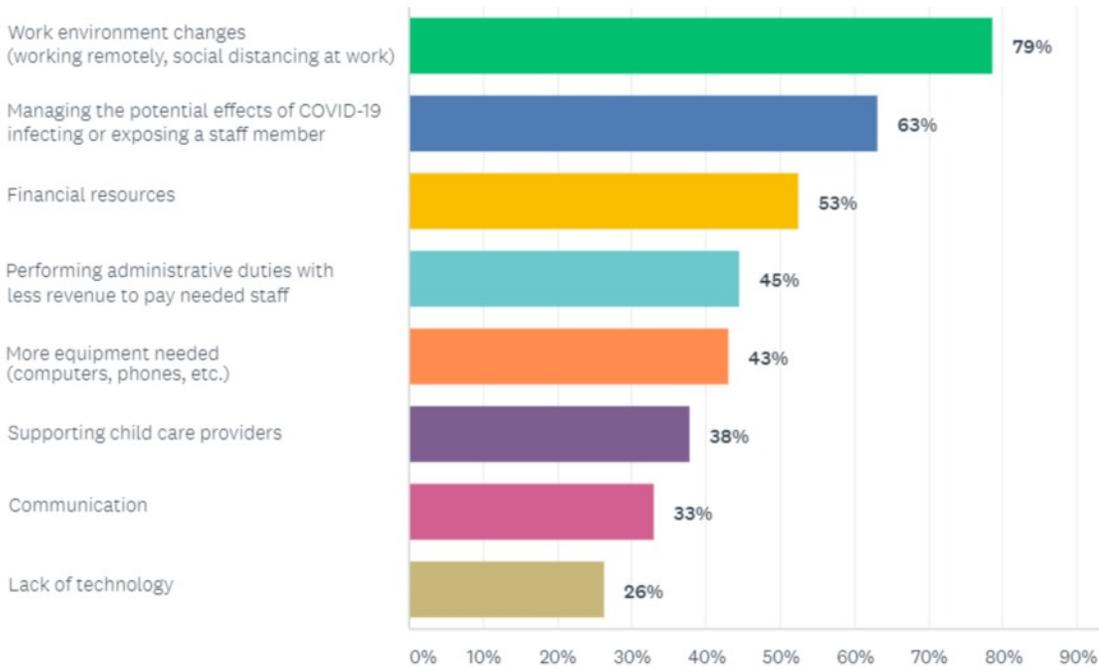
## How much longer can your organization maintain adequate resources before taking drastic actions such as layoffs, closure, non-compliance?

*“We will lose staff who have years of experience in CACFP and professional skills in working with their clients.”*

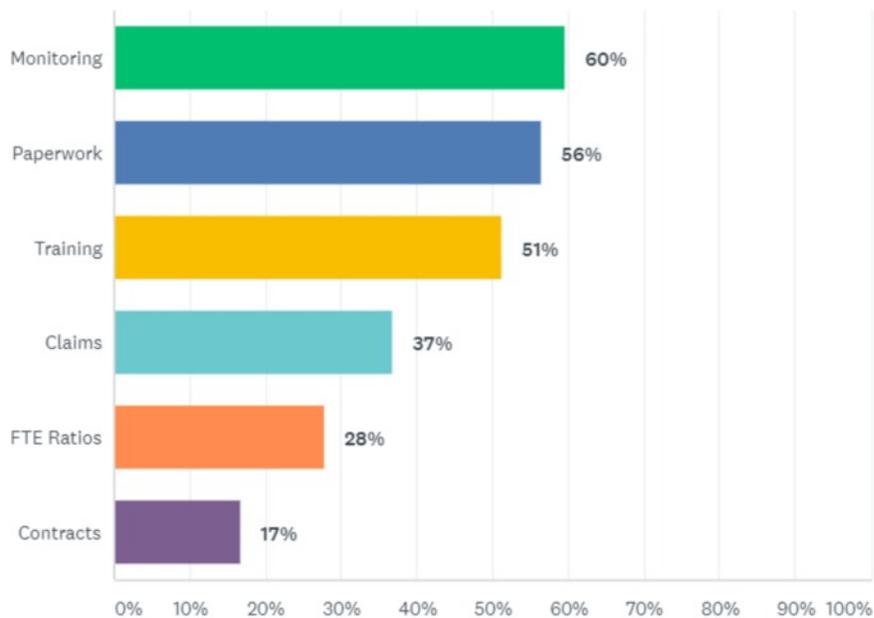


*“After 46 years in business, we gave up our Center Contracts with the State. Financially, we could not continue to operate. We have staff who have been with us for over 20/25+ years. This has been heartbreaking.”*

## What challenges are you and your staff facing due to COVID-19?

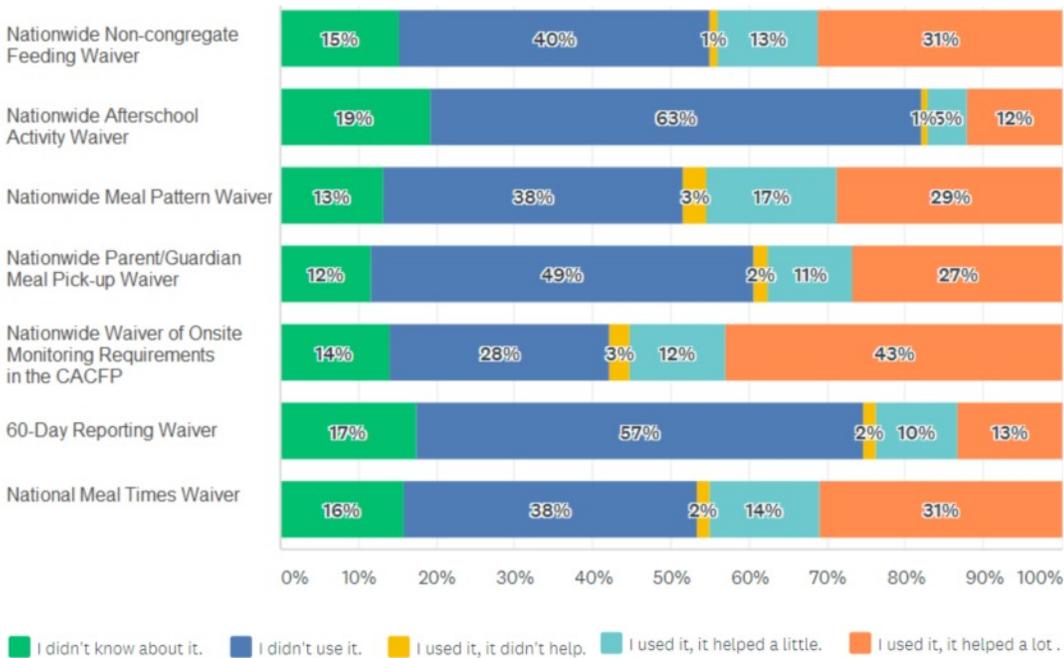


## If you have or expect to furlough some of your employees, what areas of compliance may be compromised?

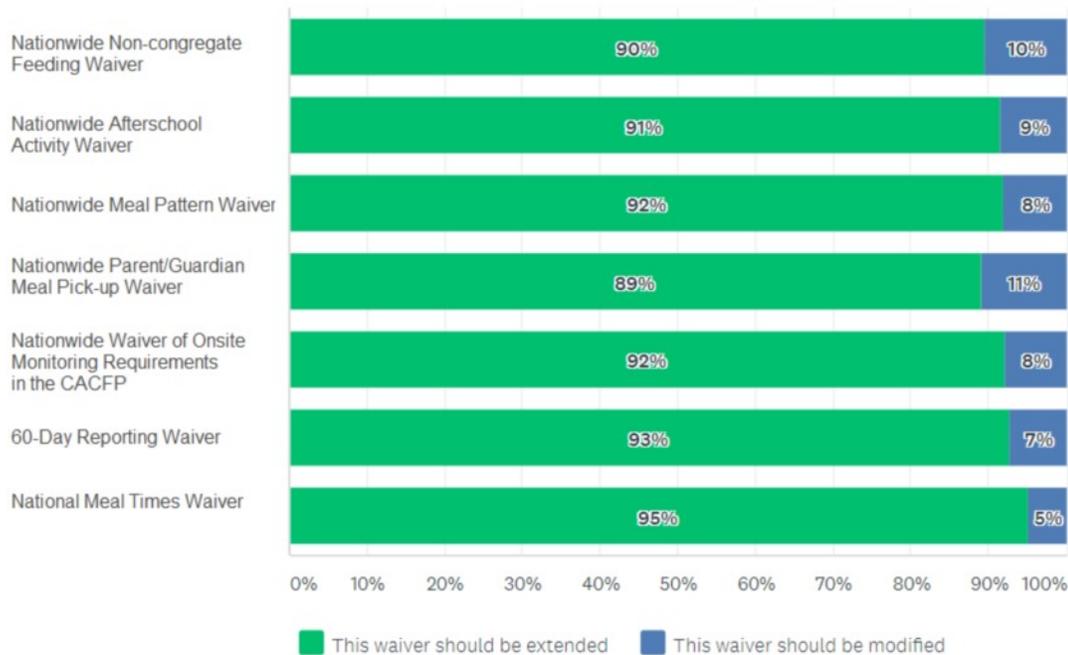


*“We will try not to compromise on any compliance area. Managers will just be working more hours doing clerical support jobs.”*

# How did waivers impact your organization during COVID-19?



# In which way would waivers be most effective in helping your organization during COVID-19?



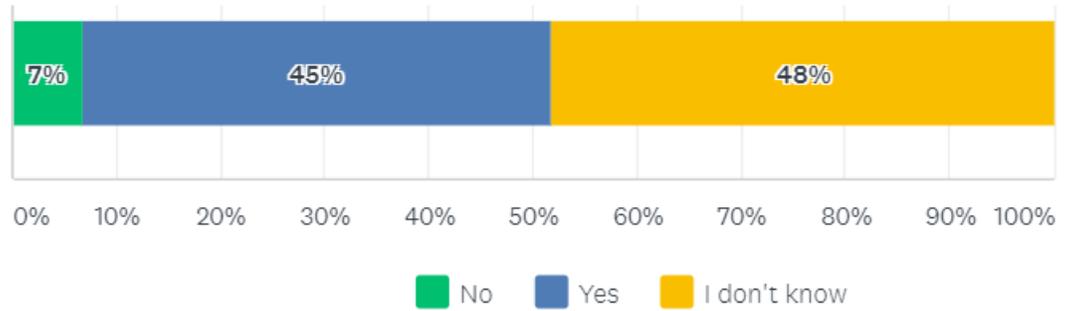
*“Needing start up funds for an exiting business sounds untrue but with the ratios of 10 per classroom, that devastated our school age group when I had to choose 10 of the 26 children.”*

*Do you have a knee or arms to hold the children that depend on making every thing feel normal when they are screened, temperatures taken, limited activities, and seeing everyone with masks and gloves?*

*No, but you have a hand to hold a paper and make decisions on all the children who cannot sit on your knee.”*

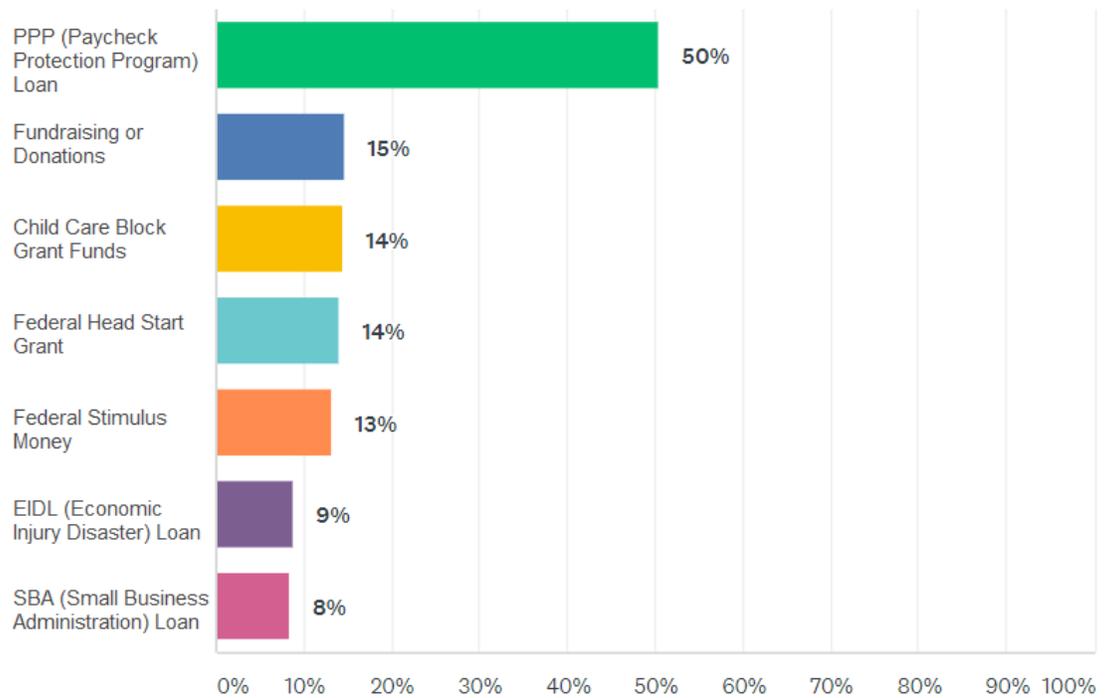
*“All waivers have been tremendously helpful. We are 100% reliant on them in order to feed the community. Without them, we wouldn't be able to.”*

## Will your State Agency accept a desk review in lieu of an in-person monitoring visit?



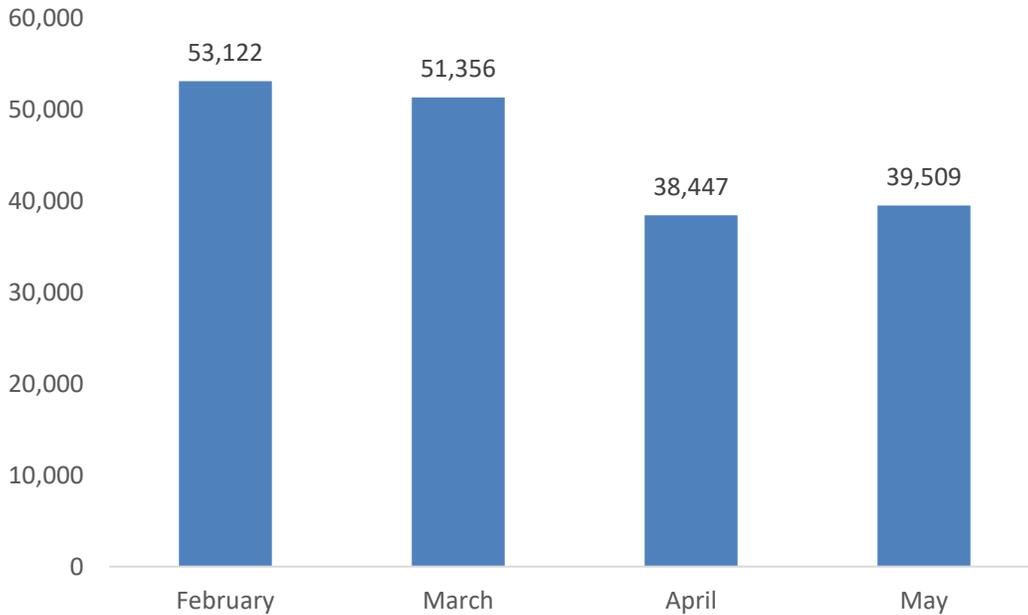
*"It's emotionally draining and we are exhausted every day."*

## What financial assistance has your organization been able to access and receive?



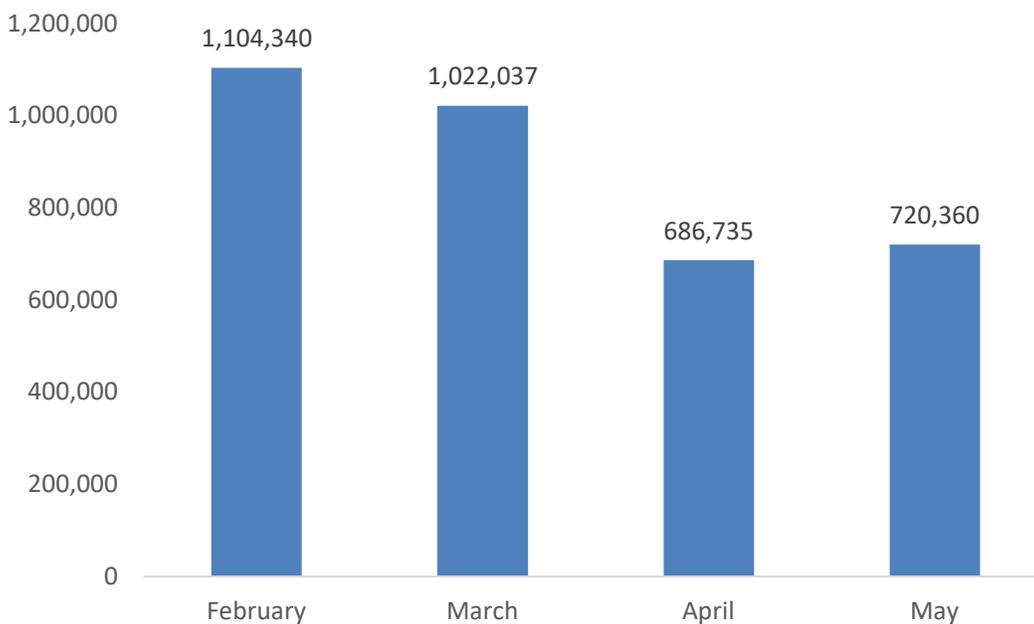
*"Our state just had it's highest ever number of reported cases of COVID this week. On-site monitoring potentially exposes our staff, site staff, children, and families. The impact of such exposure and possible infection would be devastating to our sponsorship, our sponsored site, and affected communities. We need clear guidance on conducting desk reviews through FY21 to ensure the safety of all stakeholders."*

## Family Child Care Home Providers Submitting Claims

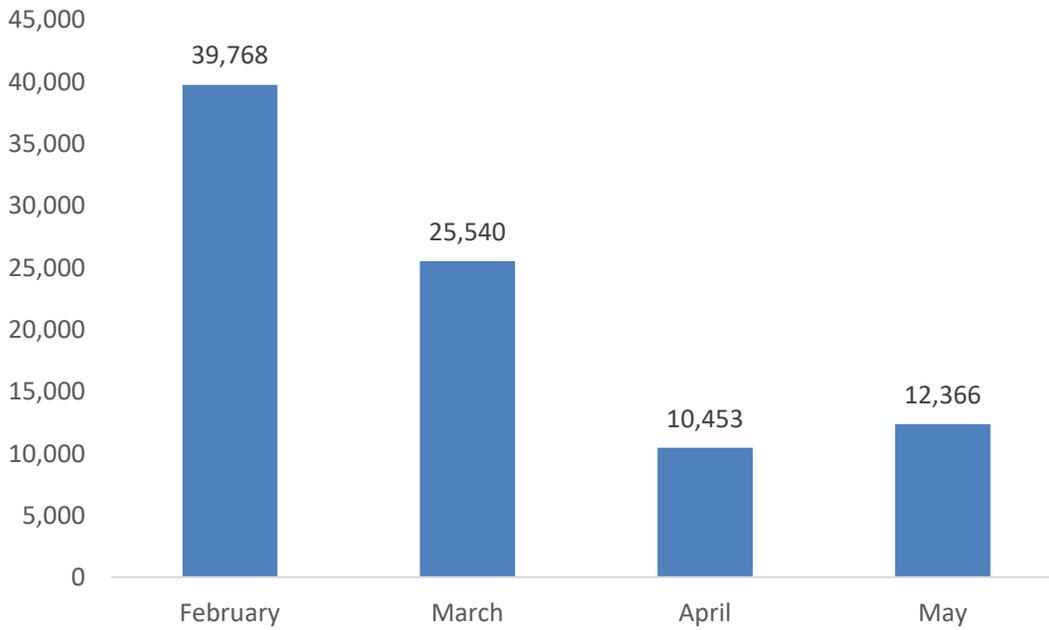


*“Family child care homes are closing. They operate on slim margins and the lack of income coupled with increased safety guidelines make it difficult to break even.”*

## Attendance of Children in Family Child Care Homes

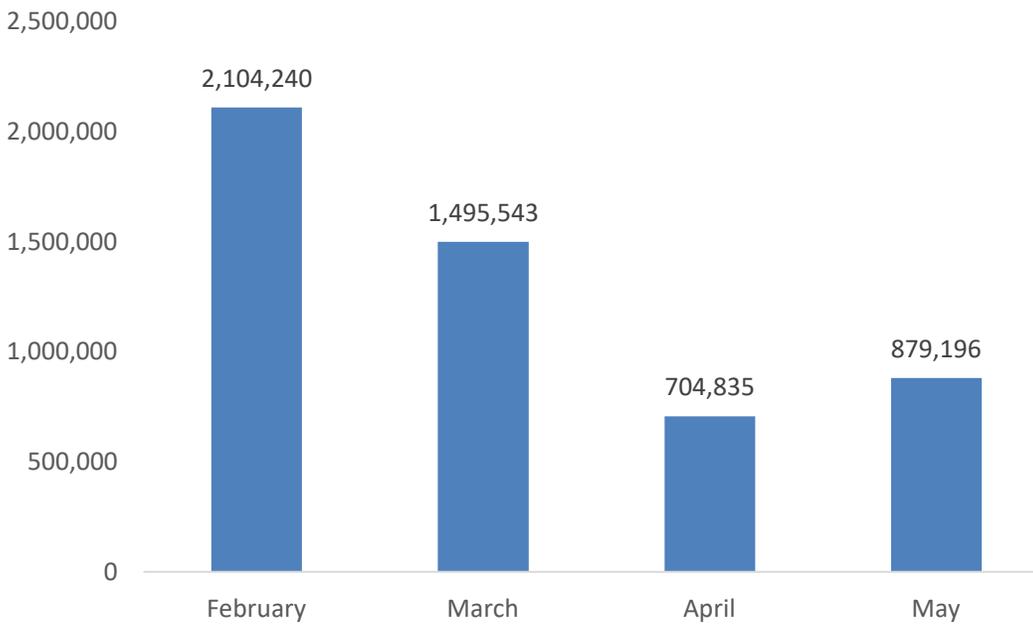


## Child Care Centers Submitting Claims

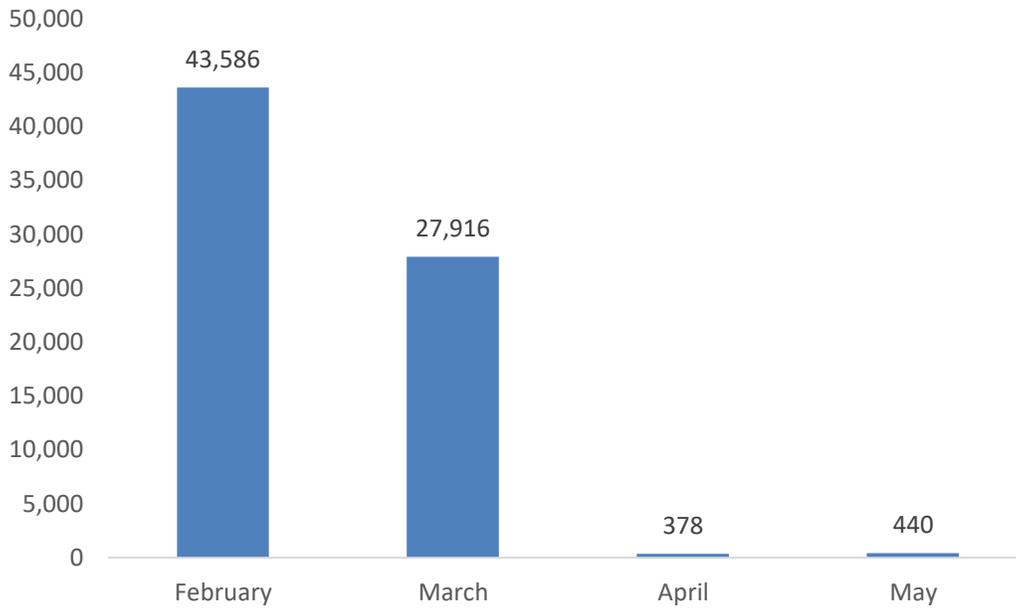


*“We dropped from enrollment of 90 kids to 15 kids each week, but continued to need staff because of all of the additional cleaning, monitoring, and social distancing.”*

## Attendance of Children in Child Care Centers

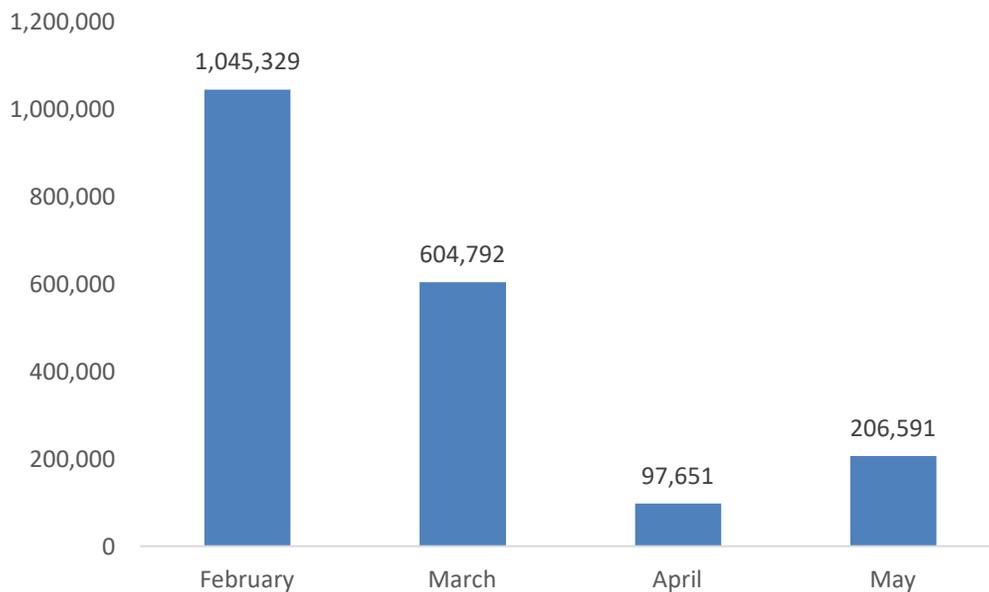


## At-Risk Afterschool Sites Submitting Claims



*“With the abrupt cancellation of school, we could no longer continue to provide afterschool meals. Our most vulnerable were left with little to no options.”*

## Attendance of Children in At-Risk Afterschool Sites



**73%** of respondents would operate CACFP during the summer if allowed.