

State Regulations Set the Stage for Child and Adult Care Food Program (CACFP) Participation in Home-Based Childcare

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Any serious effort to improve food security and children's diet quality must include the childcare sector. Approximately two thirds of young children in the United States are regularly cared for by someone other than their parents,¹ and those in full-time childcare may need to consume up to two thirds of their daily nutritional requirements while in care.² Therefore, the Child and Adult Care Food Program (CACFP) is a crucial nutritional support. CACFP is a federal program that reimburses childcare centers, home-based childcare providers, afterschool programs, and adult day care facilities for the purchase of nutritious meals and snacks served to individuals in their care.³ Access to childcare providers enrolled in CACFP is especially important for low-income children, who may be more likely to be food insecure and to live in areas where it is difficult to access foods like fruits and vegetables. CACFP prioritizes low-income children by offering higher reimbursement rates for providers in low-income areas or serving children from low-income families.^{3,4}

To promote equity in access to healthy foods through CACFP, it is important that home-based childcare providers participate in the program. Home-based care is used at higher rates by families facing structural inequities, including rural, low-income, or less-educated families and Hispanic and Black families.^{5,6} Despite the importance of connecting home-based childcare providers to CACFP, the number of children accessing CACFP via home-based providers fell by nearly 50% between 2000 and 2021.⁷ This has coincided with a drop in home-based provider participation in CACFP⁸ and a similar drop in the overall size of the regulated home-based care sector, which has been attributed to a constellation of complex factors. Examples of these factors include increased childcare regulatory requirements, stressful working conditions, persistently low earnings for childcare providers, and broader economic trends that have impacted demand for childcare.⁹ Childcare providers must be licensed or otherwise approved by their states to participate in CACFP.³

Policy experts have recommended steps that could slow or reverse flagging home-based provider participation in CACFP.¹⁰ One recommendation is for state officials to establish abbreviated forms of approval for some home-based care providers outside of the childcare licensing system. This recognizes that home-based childcare is wide-ranging in its formality, from established businesses serving divided classrooms of nonrelative children to grandparents caring only for relatives. For less-formal providers, the administrative processes involved with becoming licensed may be prohibitive and inappropriate to their mission. In recognition of this, some states have developed additional tiers of state approval (i.e., "license-exempt" tiers) to make it easier for informal providers to engage with state systems. Yet, it remains unclear how many states permit license-exempt providers to enroll in CACFP. Systematic data are not collected on state CACFP policies, and experts interviewed for a 2021 Urban Institute brief "were under the impression that relatively few states allowed legally exempt providers to participate."^{10(p8)}

STATE MODELS

One case study highlights Louisiana's policy of allowing exempt providers to enroll in CACFP after meeting a set of basic safety criteria that include a fire marshal's inspection.¹¹ Louisiana is especially noteworthy in that the number of home-based care providers participating in CACFP in the state increased by 18% between 1998 and 2018, compared with the precipitous drop in participation observed nationwide.⁸

We examined CACFP use in New Mexico, which has similar policies

supporting CACFP access for home-based providers, yet saw its number of participating providers drop by more than 70% between 1998 and 2018. New Mexico requires nearly all license-exempt home providers to enroll in CACFP, with limited exceptions for providers who do not care for nonresident children during meal or snack times (e.g., overnight care). New Mexico's license-exempt homes (referred to as "registered homes") are further divided into two categories: a fully registered status that qualifies providers for both CACFP and childcare subsidies and mandates fingerprint background checks for all household members, or a CACFP-only registered status that allows more limited background checks for noncaregiver members of the household.¹² These policies aim to maximize CACFP access in a state with widespread food insecurity. As New Mexico is a largely rural state, supporting home-based care is especially critical because center-based childcare is more difficult to sustain.

Almost by definition, New Mexico's policies mean the state's registered providers participate in CACFP at a high rate, because it is required. This has promising outcomes when it comes to nutritious food access for lower-income children. Our team examined New Mexico administrative data from Fall 2019 to determine what percentage of New Mexico children who received a childcare subsidy were cared for by a provider enrolled in CACFP. At the time, eligibility for childcare subsidies in New Mexico was limited to children with household incomes at or below 250% of the federal poverty level. We found that the rate of access was 90% for children in home-based care and 86% for childcare centers. That is, low-income children in New Mexico who received

a childcare subsidy were very likely to also receive CACFP-subsidized meals while in care, and even more so if they used their subsidy with a home-based provider.

While this is a hopeful sign for equity in access, it exists in the undeniable context of New Mexico's shrinking pool of licensed or registered home-based care providers. In addition to factors noted at the national level, our work suggests that some New Mexico home-based providers are dissuaded from registering by substantial upfront costs (e.g., necessary home repairs) in the context of widespread poverty and by required fingerprint background checks, home inspections, and CACFP monitoring visits.¹² These barriers are of particular concern for immigrant families concerned about consequences of participating in government programs.¹² Elderly providers, including grandparents and Spanish speakers, face some additional barriers related to technology and language access. Provider perspectives from New Mexico and our recommendations for reducing administrative barriers are included elsewhere in this supplement. Because fewer home-based providers are registered than in the past, it is unclear whether New Mexico's high CACFP reach within families participating in the childcare subsidy program masks a substantial number of low-income children accessing care that is now entirely unregulated and therefore not supported by CACFP or other government resources to promote child health and development.

Our administrative data analysis also showed that CACFP access rates were significantly lower for low-income children who lived in higher-income areas. This affirms the findings of other studies, suggesting that while CACFP

regulations succeed in incentivizing access in areas of concentrated poverty, they simultaneously create disincentives for providers who care for low-income children but live in higher-income locales.^{4,13} This is driven in part by national CACFP policy that divides home-based providers into reimbursement tiers. Home-based providers with low incomes or living in lower-income areas are, in general, eligible for much higher reimbursement, while those living in higher-income areas either receive markedly lower rates or must demonstrate individual income eligibility of the children in their care, an administratively burdensome process.¹³ COVID-19-era federal waivers allowed all home-based providers to receive the higher tier-1 rates during the public health emergency—a practice that could further support CACFP access if permanently adopted.

NEXT STEPS

More research is needed to systematically investigate relationships between different federal and state policy choices, CACFP access, and child nutrition and health outcomes over time. A useful first step would be creation of a database of state CACFP policies, following the model of the Child Care Development Fund Policies Database supported by the US Administration for Children and Families.¹⁴ This database and others like it enable researchers to systematically consider differences in state regulations and policies as they investigate variations in child outcomes over time. Such research is needed to identify policies and practices that maximize low-income children's health outcomes and their access to the federal nutrition programs designed for their benefit. Once policy best practices are evident, state

policy-makers could use the database of state CACFP policies for benchmarking purposes.

For now, the available data suggest that state policy can make a difference, and that different policy efforts and contexts can result in divergent outcomes. Our case study noting New Mexico's high CACFP access rate for children receiving subsidies, taken alongside Louisiana's increase in participating providers, suggest that states can take policy and regulatory action to support CACFP access for home-based care providers. By allowing license-exempt providers to enroll in CACFP and providing them with supports to navigate the program successfully, these states have made progress toward addressing food insecurity in environments where it is sorely needed—Louisiana and New Mexico were ranked 49th and 50th for child well-being in 2022.¹⁵ While much work remains, these states' innovative approaches to encouraging CACFP enrollment could serve as examples for others seeking to address food insecurity through the home-based childcare sector. *AJPH*

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CONFLICTS OF INTEREST

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