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# Nourishing Our Youngest Children: How to Expand the Child and Adult Care Food Program



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# Nourishing Our Youngest Children: How to Expand the Child and Adult Care Food Program

## Acknowledgements

*Nourishing Our Youngest Children: How to Expand the Child and Adult Care Food Program* is a joint report of Advocates for Children of New Jersey and Reinvestment Fund.



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## Introduction

**O**n a cold December day, young children in a Newark preschool carefully place napkins, plastic forks, spoons and knives at child-size tables. They assist their teachers in carrying bowls filled with fresh, whole-grain pasta and broccoli and small platters of grilled fish to each table.

They sit down together, along with their teachers, pause to say thanks for their food and dig in — laughing, chatting and sharing the camaraderie that comes from breaking bread together.

This scene plays out each day in hundreds of child care centers and family child care homes across New Jersey. It is the Child and Adult Care Food Program (CACFP), federally funded nutrition assistance for young children, as well as school-age students, elderly residents and others.

The child care portion of this program provides nourishing meals to young children, while also instilling life-long healthy eating habits and helping develop their socialization skills.

Although CACFP has grown in recent years to reach more children, especially school-age children through after-school meals, there are still thousands of unserved young children who could benefit from this nutrition assistance.

In New Jersey, 280,000 children face hunger each day, according to Feeding America's *Map the Meal Gap*. Capitalizing on federal nutrition assistance is crucial to combating childhood hunger, which can seriously harm the growth and development of young children.

This report examines CACFP, with a focus on the child care portion of the program. Based on input from child care providers, vendors providing food to children through CACFP and others participating in the program, this report examines the program's current implementation in New Jersey, including a look at barriers and challenges and recommendations to expand this critical child nutrition to more young children across New Jersey.

It should be noted that the vast majority of regulations that govern CACFP are federal, not state, requirements. The program is administered on the state level by the New Jersey Department of Agriculture, which is charged with ensuring compliance with federal regulations.



## About this Report

In preparing this report, Advocates for Children of New Jersey and Reinvestment Fund:

- Examined state and national CACFP participation and funding records,
- Surveyed child care centers that participate in CACFP,
- Visited child care providers participating in CACFP,
- Interviewed child care providers participating in CACFP, child care providers not participating, CACFP meal vendors, officials in the New Jersey Department of Agriculture, CACFP administrators in other states and national experts.

This research informs the report's key findings and recommendations.

## CACFP Benefits Young Children, Their Families and Child Care Providers

**M**ore than 120 child care providers and organizations acting as CACFP sponsors completed ACNJ's survey, representing about 20 percent of all CACFP sponsors. The respondents overwhelmingly said the program benefits the children in their care.

More than 90 percent agreed that CACFP is a valuable part of their child care services and children are eating healthier because of their participation. Nearly 90 percent also agreed that children need the nutrition they receive through CACFP and might otherwise go hungry.

“For some children, these are their only meals,” said Simone Bana, executive director, Programs for Parents, a Newark-based non-profit that acts as a CACFP sponsor to family homes and center-based providers.

Despite operational challenges, nearly all respondents — 95 percent — would recommend the program to other child care providers, primarily because they recognize the tremendous benefits children and families receive through CACFP. In addition to providing much-needed nutrition, the program helps young children and their families learn about new foods and how to make healthy choices.

For example, Greater Bergen Community Action, which operates 14 Head Start child care sites in Bergen and Hudson counties, provides nutrition training and counseling to parents through CACFP, according to Sue Solleder, director of nutrition and food services. Children are also introduced to new food through a monthly “food of the month.”

“When kids learn about new fruits and vegetables, they go home and tell their parents,” Solleder explained.

Child care staff also learn more about nutrition through CACFP.

“CACFP helps our center staff to be more conscious of the importance that nutrition plays in child development,” one provider said. “It has helped our staff and families become more aware of food labels, while becoming educated consumers.”

Studies show that children in the program receive meals that are nutritionally superior to those served to similar children in other child care settings. Children in participating institutions have higher intakes of key nutrients and fewer servings of fats and sweets than similar children in non-participating care.

“This program allows us to buy and serve high-quality food for the children in our care,” confirmed another New Jersey child care provider.



### About the Survey

ACNJ sent the electronic survey to 529 child care sites/sponsors that were participating in CACFP as of August 2017. Of those, 126 responded, representing 20 percent of all sponsors.

In these centers, about 65 percent of children lived in low-income families that qualify for free or low-cost school meals. Nearly 79 percent of respondents accept child care vouchers from state or federal programs. About 90 percent were center-based programs, with the rest representing family child care providers. Respondents hailed from every county in the state — except Salem — with Hudson County child care providers making up nearly one-quarter of respondents.

## About CACFP

High-quality child care is critically important to the healthy development of young children. Through the Child and Adult Care Food Program (CACFP), children from low-income homes receive proper nutrition in licensed child care centers and state-registered family child care homes.

By paying for nutritious meals and snacks for eligible children, CACFP also improves the quality of child care while making it more affordable for parents and guardians who would otherwise struggle to buy and prepare the meals themselves.

The United States Department of Agriculture's Food and Nutrition Service operates the program at the federal level, while the New Jersey Department of Agriculture (NJDA) administers the program at the state level.

Non-profit and for-profit child care centers, school districts, local government, community-based organizations and others can apply to be a program sponsor, which keeps records, manages finances and submits paperwork to NJDA. Once NJDA receives the required paperwork, sponsors are reimbursed for each qualifying meal served. Sponsors must either prepare meals in their own facilities or contract with a food vendor that delivers prepared meals to sites.

Eligibility and reimbursement rates are generally in line with the National School Lunch Program. To view reimbursement rates, visit <https://www.gpo.gov/fdsys/pkg/FR-2017-07-28/pdf/2017-15950.pdf>.

### Child and Adult Care Food Program

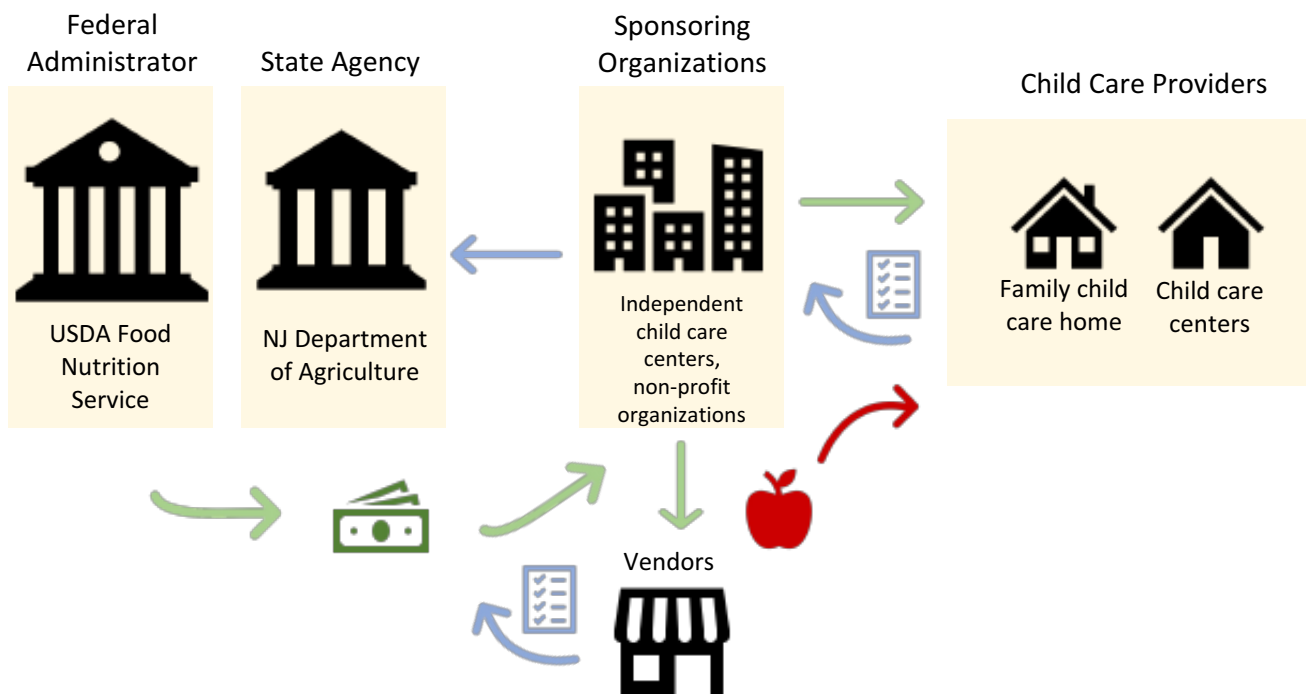


Figure 1. CACFP program agents and operations. Green arrows indicate direction of reimbursement. Blue arrows indicate paperwork and administrative requirements. Red arrows indicate meals served.

## Sponsors and Food Vendors See Strengths, Challenges Implementing CACFP

**CACFP** sponsors reported satisfaction with most aspects of CACFP, including the training they receive and their ability to train their own staff. They also cite the benefits of being able to provide fresh, healthy food to young children.

Several challenges, however, were identified that affect their ability to effectively operate the program.

The three most cited issues in the survey were reimbursement rates, paperwork and administrative costs. Interviews with sponsors and vendors uncovered additional concerns.



### Federal Reimbursements Are Not Always Enough to Cover Costs

According to NJDA representatives, federal CACFP reimbursements are intended to supplement the cost of providing food to young children, not to cover the full cost of meals. This is difficult for some sponsors, especially smaller ones that do not have the capital to bridge the gap between the reimbursements and the actual cost of serving healthy food to young children.

Some sponsors point to an even larger issue — that child care subsidies have not kept pace with the cost of providing quality care, leaving fewer available funds to provide healthy food to children.

“Our population is about 70 percent subsidized,” one provider said. “That means I lose money on both ends — the tuition and the food program. It's getting harder and harder to justify the costs and have enough money to pay qualified teachers.”

However, many child care providers meet this challenge either through careful management of the program or by becoming a site to a larger sponsor, which eliminates the need to have cash reserves. As a site, centers receive healthy, nutritious meals for the children they serve, with fewer administrative and financial burdens.

Still other providers say they can cover the cost of the program — while filling an essential need for the children they serve.

“We can always use more funds, whether it's for equipment or to purchase more fresh fruit and vegetables, especially when they are not in season,” said Elisa Douglas, who oversees Newark's La Casa de Don Pedro's food service operations. “But the bottom line is that we are able to serve up healthy meals to children who might otherwise go without.”

### Other Perceived Barriers to Participation

CACFP has existed for decades. However, many child care providers who participated in interviews and focus groups were unaware the program is available to them.

“I have never heard of that,” said one director of a center that accepts child care subsidies.

Of those providers who know about CACFP, but choose not to participate, some cited paperwork and staffing requirements as impediments to participation.

Federal rules require sponsors to have an executive director or owner of the organization, a “person responsible” for overseeing the program and a staff person responsible for daily operations, as well as a substitute who can also perform that function.

While some center operators perceive these challenges as barriers to participation, state officials say the staffing requirements should be relatively easy for most centers to meet as directors can also act as the person responsible for the program.

Other child care providers said they served too few children to justify the time and expense to participate.

However, smaller centers can become a site that is managed by a larger child care provider or sponsoring

organization, such as a school district or community organization. This allows them to provide healthy meals to the children they care for, with fewer administrative and financial burdens.

State officials say they have added sponsors over the past several years, but have been more focused on transitioning to an electronic recordkeeping system to improve program administration and attract more sponsors.

## Serving Up Quality Food

**M**ost survey respondents said they did not face serious challenges in preparing or procuring food from food vendors, with 60 percent preparing food for children in their own kitchens.

However, in interviews with child care providers, the issue of finding quality food vendors was mentioned as a challenge, especially in areas with fewer vendors bidding on contracts.

While menus are agreed upon during the contracting process, issues frequently arise with the availability of food, forcing sponsors and vendors to renegotiate. Sponsors report they are sometimes at a disadvantage in these negotiations because the meal vendor often better understands market conditions for produce and other food items.

While sponsors are able to cancel contracts and issue another bid if problems persist, some sponsors say this is difficult to do as they are already operating their programs and are afraid they will not receive another acceptable bid.

In addition, child care centers tend to feed a smaller number of children and so have less negotiating power with vendors, according to the Food Research & Action Center. Sponsors can avoid these issues by preparing their own meals, but many lack kitchens and food-prep staff and must rely on vendors that deliver fully-prepared meals.



## Bidding Processes Present Challenges

Until recently, the state allowed sponsors to use only one type of bidding process in which bids are awarded based exclusively on price, if the meal vendor is a “responsible bidder,” meaning it can meet the contract requirements.

In interviews, some sponsors and meal vendors said this limitation has impeded CACFP sponsors from contracting with vendors they believe will serve the best food to their children.

“In New Jersey, you can’t win a bid unless you have the lowest price,” said Kristen Bussenger, senior director, partnership expansion for Revolution Foods, a mid-size food vendor. “That rule drives all vendors to the bottom. Whoever comes in with the lowest bid, wins.”

USDA rules allow sponsors to use different bidding options that take into account other criteria when awarding contracts. While price is still given the heaviest weight, sponsors using a “competitive contracting” bidding process can rate potential vendors on meal quality and other factors.

NJDA allows school districts to use this option in CACFP because of their experience with two other federal child nutrition programs — the School Breakfast Program and the National School Lunch Program.

NJDA officials were reluctant to offer this more complicated contracting option to non-school CACFP sponsors, many of whom already struggle with the simpler “lowest bid” option. However, NJDA plans to introduce the competitive contracting option to non-school sponsors and has tentatively scheduled trainings for spring 2018.

State officials also said that some sponsors have expressed interest in adopting a universal menu, which would allow vendors to bid on a single menu from multiple sponsors, keeping costs down and improving the quality and consistency of the food they provide.



## More Data Needed To Aid Expansion

According to state officials, 530 organizations, including child care providers, non-profit organizations, schools and local government, among others, are CACFP sponsors. These sponsors coordinate the CACFP program for child care centers providing oversight to 1,400 sites that serve children ages 0 to 13.

An additional 12 organizations serve as sponsors for people caring for children in their own homes, providing food and training to 476 of these family child care homes.

Sponsors ensure meals are delivered to their sites, oversee training of site-based staff and ensure proper record-keeping. Sites record the number of children fed each day, participate in trainings with sponsors and meet health and safety requirements.

From state data, it was impossible to determine how many young children are actually served by CACFP or the income levels of the families whose children participate. Since CACFP serves children from 0 to 13, as well as senior citizens and others, participation among young children could not be determined.

Even data provided for the entire universe of participants raised questions about accuracy. Reliable data are critical to identifying areas where the program is failing to reach young children who can most benefit and to measure progress toward achieving expansion.



## Sponsors, Vendors Must Work Together to Serve Up Healthy Meals

To deliver fresh, healthy food to children, meal vendors and sponsors must work as a team.

Sponsors need to understand their rights and responsibilities within the procurement process, while vendors must meet the terms of their contracts and ensure that food is delivered fresh and at the agreed-upon times.

Both sides expressed frustration with this process.

Some sponsors said they sometimes receive substandard meals or that deliveries are delayed, disrupting meal service for young children. Sponsors also struggle to enforce contracts, despite having the authority to terminate a contract if a vendor consistently fails to meet its obligations.

For many sponsors, particularly smaller child care centers, formulating proposals for bid, negotiating with vendors and administering contracts are challenging. When either the sponsor or the meal vendor lacks experienced staff, it is easy for miscommunication and misinformation to foster unintended tension between the two.

Vendors, in turn, claimed that sponsors are often inflexible when it comes to substituting menu items when certain foods, especially fresh produce, become unavailable or when a suitable substitute is available at a lower price.

To address these issues, NJDA provides sponsors with trainings, webinars and technical assistance by phone and e-mail.

“A positive, mutually agreeable sponsor-vendor working relationship is essential in CACFP, with clear expectations of all contract requirements being met and measures in place to monitor contract fulfillment,” state officials said. “This is critical to a successful sponsor-vendor relationship to ensure healthy meals are provided to participants.”



Vendors expressed interest in additional support from NJDA, including information about how to submit bids that comply with the program's regulations and a regularly updated list of in-season produce at local farms, which they could then use in their meals. Acknowledging that vendor training was a “missing piece,” NJDA recently held its first training with vendors, although it is not required to do so under federal rules.

### Stricter Nutrition Standards

Starting October 1, 2017, participating CACFP sponsors began meeting new nutrition standards that include a greater variety of vegetables and fruit, more whole grains and less added sugar and saturated fat. The new standards also encourage breastfeeding by allowing centers to receive reimbursements for mothers who breastfeed onsite.

The new nutrition standards are aimed at preventing childhood obesity, fighting hunger and promoting improved health among our youngest and oldest populations, according to the Food Research & Action Center.

## Having the Right Equipment Can Make All the Difference

According to sponsors and vendors, equipment for preparing meals and maintaining meal temperature from food prep to meal service is critical.

Self-prep sponsors and meal vendors would benefit from more sinks, mixing bowls, convection ovens and refrigerators. Even when they have this equipment, they sometimes struggle to keep up with needed repairs and maintenance.

Some sponsors would prefer to serve more appetizing hot meals, but that's difficult when they lack tempera-

ture-control equipment. Some self-prep sponsors, such as the Passaic School District, prepare hot meals in a central kitchen and then quickly deliver them to nearby sites. Many sponsors, however, lack such facilities and settle for preparing cold meals and delivering them in refrigerated trucks and portable coolers.

“Having the right equipment for holding and heating the meals makes a difference,” says Bussenger of meal vendor Revolution Foods.

## Promising Strategies for Improving Program Reach

It is a testament to the hard work and commitment of NJDA staff, program sponsors, child care providers and meal vendors that so many New Jersey children and their families benefit from CACFP.

However, as noted in this report, more eligible New Jersey children could benefit from this program. This report has identified key issues that impede program expansion to all eligible children. The following strategies can help address those issues, giving more children the opportunity to benefit from this critical federal child nutrition assistance.

### Improve food quality by...

- **Creating buying hubs.** When sponsors band together into a buying hub — in which a larger child care center acts as a sponsor on behalf of several smaller, nearby centers — they streamline the contracting process and empower smaller sponsors and sites to join the program. Buying hubs have worked well in other states and can succeed in New Jersey, too.
- **Adopting a universal menu.** Whenever possible, sponsors should band together to offer one large contract with a universal menu, attracting more and better-quality bidders and improving food quality.

- **Encouraging more school districts to act as meal vendors or sponsors.** Many New Jersey school districts have fully operational child nutrition programs, with commercial kitchens or large-scale contracts with food vendors. This strongly positions school districts to act as vendors or sponsors for smaller child care operators.
- **Facilitating sponsor/vendor relations.** Meal vendors report that they benefitted from NJDA's first vendor training in June and August 2017. Additional, regularly scheduled trainings would likely improve meal vendors' ability to successfully bid on and fulfill CACFP contracts. NJDA-facilitated joint meetings with vendors and sponsors could help everyone address the issues that impede the delivery of healthy food to young children.

### Expand training opportunities by...

- **Offering continuing education credits for CACFP training.** New Jersey should follow the lead of some other states and provide continuing education credits for CACFP trainings. If these trainings included a registered dietitian, child care providers who attend these trainings would also learn about nutrition. State officials say they are planning to take this step.

### ■ **Offering more CACFP trainings at more locations.**

Many sponsors struggle to keep up with all the responsibilities that go along with caring for children and said it would be helpful to have CACFP new and existing sponsor trainings held in different parts of the state, rather than one location, which in 2018 will be Freehold. NJDA officials said special trainings held last year on new federal nutrition requirements were offered at various locations. They said they hope to add locations for the regular annual trainings, as well.



- **Offering enhanced technical assistance for sponsors working with vendors.** Many smaller sponsors struggle to write a bid, negotiate menu options and hold meal vendors accountable when they fail to comply with contracts. While NJDA does provide assistance on this front, sponsors said they need more help. State officials said they are planning additional procurement trainings for all sponsors and vendors in 2018, along with webinars and technical assistance visits as needed.

### Reduce paperwork by...

- **Expediting the online system.** NJDA's new online system will likely be a relief for many sponsors. Although delays are sometimes unavoidable, implementation of this system must be a top priority.

### Engage more sponsors by...

- **Collecting data.** New Jersey needs more sponsors and sites for the program to reach all eligible children. The first step to recruiting sponsors and sites is to identify areas that are underserved by CACFP. NJDA should collect and analyze data to identify

underserved areas and populations and use that data to develop effective outreach plans to target those areas and to measure progress toward expansion.

- **Holding information sessions.** Using these data and working with the New Jersey Department of Human Services, NJDA should engage the county-based Resource and Referral Agencies to disseminate information about CACFP and hold CACFP information sessions at a time convenient to providers.
- **Incorporating CACFP into Grow NJ Kids.** The New Jersey Department of Education should incorporate information about CACFP and the importance of providing good nutrition into the coaching process of providers enrolled in Grow NJ Kids, a statewide initiative to improve the quality of child care.
- **Publishing a list of participating centers.** The New Jersey Department of Human Services, in consultation with NJDA, should publish a list of centers and family homes that participate in CACFP and that list should be widely distributed through channels that reach parents.

Taking these steps will help ensure that more young children receive the nutrition they need for healthy growth and development, improving their chances for later success in school and in life.

## La Casa de Don Pedro Serves Up Fresh Meals to Young Children

Parents whose young children attend La Casa de Don Pedro can rest easier knowing their children are receiving healthy meals each day while in child care.

The Newark-based program has long participated in the federal Child and Adult Care Food Program, serving up fresh meals to children at eight child care centers and two afterschool programs across the city.

“With this program, we are assured that our children will get nutritious meals here,” said Gloria Jerez, director, Early Childhood Development Center III. “Most of our parents are low-income and they may not be able to provide that healthy balance of meals that young children need. For parents, it gives them peace of mind and one less issue to deal with.”

All meals are prepared in a central kitchen, staffed by an experienced chef and kitchen staff, according to Elisa Douglas, who oversees La Casa’s food service operations.

Twice each week, vendors deliver fresh produce, meats, fish and other food items.

Prepared meals are then shipped by van to the other locations, with children receiving breakfast, lunch and an afternoon snack. Food is transported in insulated boxes, which ensures meals stay at the proper temperature.

Kitchen and teaching staff receive regular trainings on meal preparation and accounting for meals served, while the

family-style service allows children to serve themselves, with assistance from teachers when needed.

Menus are posted each month in classrooms and are also provided to parents, so they know what their children are eating each day.

*“With this program, we are assured that our children will get nutritious meals here. For parents, it gives them peace of mind and one less issue to deal with.”*

—Gloria Jerez,  
Director, Early Childhood Development Center III



Like many sponsors participating in this program, paperwork is the biggest challenge.

“Ensuring that our staff completes paperwork properly is challenging,” Douglas said. “We have to retrain a lot.”

She added that they are looking forward to moving to an electronic system, noting that she had previously administered CACFP in New York City, which was completely automated and much easier to operate.

Because of the large scale of the operation, serving about 800 meals three times a day, federal reimbur

sements do cover most of the program’s costs, Douglas said, but added those funds do not pay for equipment repair and expansion.

“We can always use more funds, whether it’s for equipment or to purchase more fresh fruit and vegetables, especially when they are not in season,” she explained. “But the bottom line is that we are able to serve up healthy meals to children who might otherwise go without.”

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