

Background

The Child and Adult Care Food Program (CACFP) subsidizes nutritious meals and snacks served to participants in child care nationwide, providing different levels or “tiers” of meal reimbursement based on the income level of participating children, providers, and nearby geographic areas.

Policymakers have long been concerned that programs such as CACFP are not as accessible to eligible children in rural areas as in urban areas. To address these concerns, Public Law 108-265 (2004) authorized a pilot to test lowering the eligibility threshold for higher reimbursement rates to make them available in rural areas in Nebraska with somewhat lower concentrations of low-income households (40 percent of school children below 185 percent of poverty) than permitted under regular program rules (50 percent of school children below 185 percent of poverty). By offering higher reimbursement rates in these areas, it was hoped not only that more day care providers would become interested in participating in the CACFP, but that sufficient concentrations of such providers would make it more attractive for sponsoring organizations to operate in more rural areas. This report presents the results on an evaluation of the pilot, which was conducted between October 2005 and September 2007.

Method

The evaluation is based on an analysis of: (1) CACFP administrative records maintained by the Nebraska Department of Education (NDE); (2) administrative records maintained by CACFP sponsors in Nebraska; (3) a statewide survey of a random sample of 588 family day care home providers in the last quarter of 2007; (4) interviews with program officials in the NDE and sponsoring organizations; and (5) focus groups with providers and parents of children receiving family day care in Nebraska.

Key Findings

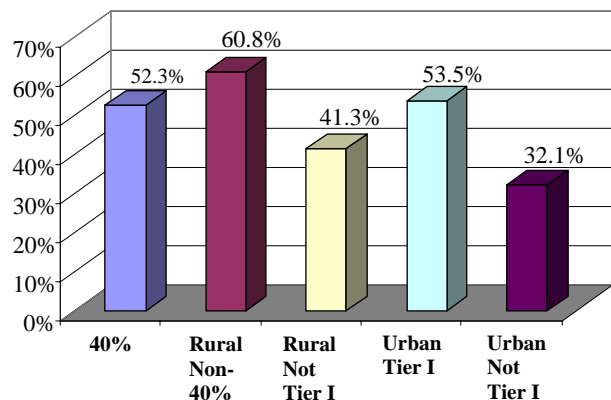
Pilot implementation was successful. The NDE took steps to integrate the pilot into CACFP operations and regularly publicized the pilot in cooperation with sponsors, which formed the Nebraska Sponsors Expansion Consortium to disseminate information about the pilot.

Family day care homes in rural Nebraska increased by 10.5 percent during the pilot, reversing a 6.6-percent decline in rural family day care providers in the 3 years prior to the pilot, and contrasting with a 2.9-percent decline in urban providers over the same period.

The number of family day care home providers who met the pilot requirements (“40% providers”) increased by 29 percent during the 24 months of the pilot. At the start of the pilot, a total of 220 providers resided in rural areas that met the new 40-percent threshold. This number grew to a maximum of 291 in March 2007 and then dropped to 284 providers at the end of the pilot in September 2007.

The pilot does not appear to have encouraged many new providers to join the CACFP. Of the 220 40% providers at the start of the pilot, only 7 were new to the program; 213 were preexisting ones that had been reclassified. The graph below shows 40% providers did not enter the CACFP at higher rates than other tier I providers (i.e., non-40% providers) in rural or urban areas.

**Percentage of Providers
Who Were New During the Pilot**

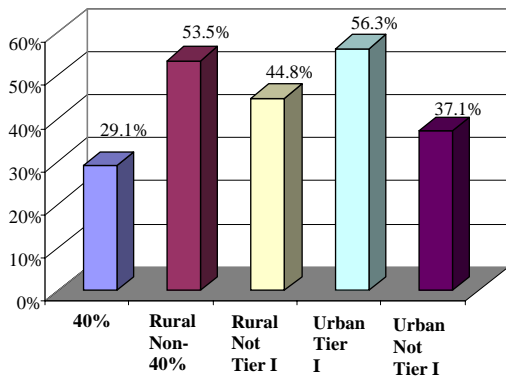


Note: Number of new providers excludes providers who joined in October 2005—the first month of the pilot.

Source: NDE Administrative data 2005-2007.

The pilot appears to have kept many previously participating providers in 40-percent areas in the CACFP for longer periods. The 40% provider group is notable for its low rate of departures (29.1 percent) relative to all other groups (see graph, next page).

Providers Who Left CACFP During the Pilot



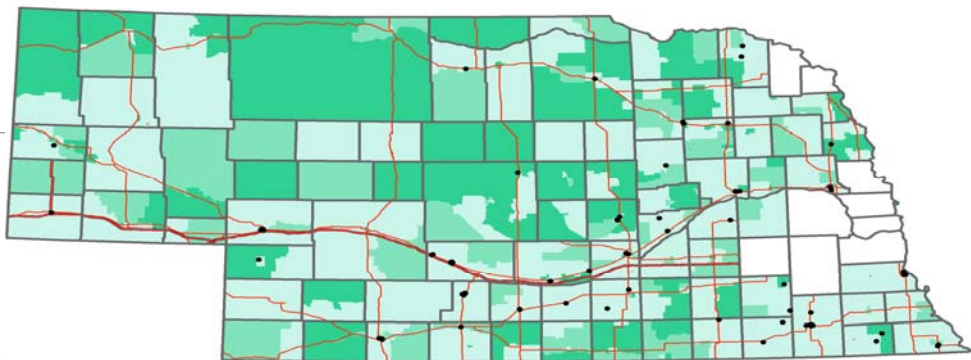
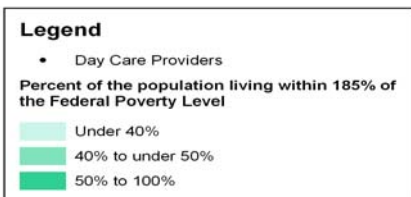
Source: NDE Administrative data 2005-2007.

Although somewhat unexpected, there is a plausible logic behind this finding. For providers already in the CACFP, the “cost” of staying in the program is relatively low. *In this environment, postponing a decision to leave the CACFP may be more strongly influenced by increased reimbursement rates than the decision to enter the program.*

The pilot had limited success in encouraging providers from more remote areas of the State to join the CACFP. Most newly added providers were located close to where the pre-existing providers resided. Of course, these additions are of value to the program to the extent that demand for day care services in these areas exceeds supply.

The 40% providers were more likely than other providers both to be operating at capacity (60 percent vs. 46 percent overall) and to have waiting lists (51 percent vs. 42 percent overall). They were also more likely than other providers to have child care certificates, to have taken nutrition classes, and to report having received sponsor training. They

Locations of 40% Providers Who Joined the CACFP During the Pilot



were also more likely to report providing higher quality food (71 percent vs. 45 percent overall) or greater quantities of food (31 percent vs. 24 percent overall) since the start of the pilot.

The pilot appears to have had very little impact on the characteristics of children attending family day care homes participating in Nebraska’s CACFP. Gender and age distribution of children at 40% providers are statistically no different than at other providers. Statewide, about 38 percent of all children in care are 3- to 5-year-olds and 27 percent are 1 or 2. Children served by 40% providers also traveled shorter distances than other rural providers.

Conclusion

The main effect of the pilot was to encourage existing providers in 40-percent areas to remain in the CACFP longer than they would have otherwise, increasing the total number of rural family day care homes. Except for the normal turnover in day care homes as older children left and new ones arrived, and the normal addition of new homes to the program for reasons unrelated to the pilot, there were no “new” types of children as a result of the pilot. Instead, family day care home providers in Nebraska continued to take care of the same types of children they had before the pilot. At the same time, 40% providers reported that they were able to improve both the quality and quantity of food they served to children.

Suggested Citation: U.S. Department of Agriculture, Food and Nutrition Service, Office of Research and Analysis, *Report to Congress: The Nebraska Rural Area Eligibility Determination Pilot for the CACFP -- Summary*, by John A. Kirlin and Ted Macaluso. Alexandria, VA: 2007.

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