

Family Child Care Homes and the CACFP: Participation After Reimbursement Tiering, An Interim Report of the Family Child Care Homes Legislative Changes Study, William L. Hamilton, Eric Stickney, and Mary Kay Crepinsek of Abt Associates, Inc. for the U.S. Department of Agriculture, Economic Research Service, under contract number 53-3198-7-016 funded by ERS' Food Assistance and Nutrition Research Program and the Food and Nutrition Service, Food Assistance and Nutrition Research Report No. 3.

Abstract

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 established a two-tier structure of meal reimbursement rates for family child care homes participating in USDA's Child and Adult Care Food Program (CACFP) and mandated a study of the effects of that change on program participation and state licensing of child care homes. Using administrative data, this interim report finds that participation in CACFP by child care homes dropped 6 percent and the number of sponsoring organizations that administer the participating child care homes dropped 2 percent between 1997 and 1998. The drop in homes was larger than the trend in earlier years would predict. In contrast to the CACFP declines, the number of licensed child care homes increased by 3 percent during that period. The strong economy, increased federal child care funding, and new state pre-school programs, among other shifts in the child care market, made this a dynamic period of change in employment and child care options. How much of the decline in child care homes' participation in the CACFP stemmed from the reimbursement change and how much was caused by other factors cannot be determined. Early results of the survey Abt Associates currently has in the field suggest that many child care home providers left the CACFP and the child care business to pursue other careers. The final report of the Family Child Care Homes Legislative Study will be based on information collected from current CACFP sponsors, child care homes, and families of children in care, and from former CACFP homes, and will be available in early 2001.

Keywords: Child and Adult Care Food Program, CACFP, food assistance, child care

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