

## **Testimony to the U.S. Department of Agriculture**

**August 6, 2008**

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**KidsNCare**

Good morning. I am pleased to be here today. My name is Nancy Boyd and for over fifteen years, I have been a family child care provider participating in the child care food program. Most recently, at San Bernardino County Superintendent of Schools, I have managed the CACFP sponsorship for three years, serving family child care providers in San Bernardino and Riverside Counties.

I will be addressing the administrative costs and how difficult it is to sustain a food program with the limited administrative reimbursement. At this very time and moment, family child care sponsors, all across the state, are facing extremely limited funding for administrative costs. These limitations are hindering our ability to employ staff, maintain necessary equipment, forms, office space, and many other materials fundamental to the administration of any food program. In my case, our agency is under the umbrella of the Superintendent's office, which allows us to pay rent and building maintenance at a much lower rate than most agencies. Without this support our agency would need at least an additional \$60,000 to cover program costs.

CACFP's main goal and focus has always been that of ensuring all children, in a child care setting, have access to nutritious healthy foods. With higher costs associated with maintaining a food program sponsorship, it has become evident that there needs to be an increase in the Family Child Care Administrative reimbursement to a level adequate to satisfy the current needs of a sponsoring organization.

Since tiering started it has become increasingly challenging in making ends meet on the current administrative reimbursement rate. The new requirements included in the First and Second Interim Rules have lead to 26% of sponsors dropping the program. Unfortunately, this includes many small and or rural sponsors who cannot maintain their program with current reimbursement rates. The providers are no longer receiving the one-on-one interaction with their sponsors, and the hands-on nutrition education, has all but been eliminated. It is impossible for sponsors to afford to do anything more than to conduct the required monitoring visits and meet all of their new obligations under the integrity rules.

We recommend the following solutions:

Administrative reimbursement rates should be raised to reflect the new administrative burdens imposed by the tiering and integrity rules. In our county we serve many rural and outlying areas that are underserved. If budget won't allow for an overall increase to administrative reimbursement, we hope that at least consider raising rates for services to rural or underserved areas.

In addition, Family child care sponsoring organizations earn administrative reimbursement for each family child care home (provider) they sponsor. However, they do not receive reimbursement for any month on which the provider does not claim meals for reimbursement. To add a new provider onto their program, a sponsor must visit the provider's homes and "sign them up." This generally involves giving them an orientation session on the food program, training them on the meal pattern, meal counting and claiming requirements, plus applicable paperwork. If the sponsoring organization is using special scan able claim forms or online claiming can also add additional training time. All of this activity usually takes place in the month prior to the provider's first full month claiming reimbursement; therefore, all this happens before the sponsor earns any administrative reimbursement. While the regulations do allow sponsors to apply for separate expansion funding for larger targeted outreach efforts, they do not cover these one-on-one sign ups.

We recommend allowing sponsoring organizations to claim new providers, as applicable, for the month prior to their beginning to claim meals for reimbursement to help defray the additional costs of signing them up and training them on program requirements.

Restoring the family child care sponsor administrative advances is imperative to sponsors surviving. The CACFP is a reimbursement program, therefore sponsoring organizations have the same obligations as other businesses to make payroll and cover other program expenditures until the State agency pays our claims for reimbursement. Sponsoring agencies have to operate for almost two months before receiving reimbursement from the state. The sponsoring organizations should be allowed to make the decision of whether or not to receive advance payment.

In addition the California sponsors need the state meal reimbursement rate funding just to make ends meet. We were recently informed that we will be losing the State Meal reimbursement for the month of June. Our agency is reminded of just how important the extra

\$20,000 a month is. Having advance notice of the reduction in funds would have been helpful in maintaining our budget.

Without financial viability there will be an increase in the number of family child care sponsors closing their doors. If this happens the children will be the victims. I am confident that by working together we can have positive change for the CACFP and the children that benefit from the program.

I appreciate your time and the opportunity to address you today. Thank you.