



**Management Issues Impacting Family Day Care Homes Operating Within
the Child and Adult Care Food Program Guidelines:
A Review of Literature**

**Deborah H. Carr, PhD, RD
Research Scientist
Applied Research Division**

**Roman Pawlak, MS, RD
Graduate Research Assistant
Applied Research Division**

**National Food Service Management Institute
The University of Mississippi
University, Mississippi 38677-0188**

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Abstract

The Child and Adult Care Food Program (CACFP) that operates in the Family Day Care Home (FDCH) setting plays a vital role in quality managed child care services. The overriding goal for the nutrition assistance program is to promote the health and nutrition of children participating in the program. The focus of this review was to examine the available child care literature as it related to management issues impacting FDCHs operating within the CACFP framework. Researchers observed a limited number of peer-reviewed articles that addressed FDCH management issues in publications drawn from 1993 to date. The literature suggests four broad areas of concern: accountability, quality, provider, and parental issues. The results of the literature review provide useful information regarding the FDCH program and the vital role it plays at the local level in providing child care services for children living within the community. It is the CACFP framework that assures the nutritional needs of children are met, training is provided, and oversight of the program occurs through a monitoring process directed by the sponsoring organization. Although little is written outside program regulation issues, it is evident that FDCH providers participating within the guidelines of the CACFP supply a service that meets the child care needs for those served.

**MANAGEMENT ISSUES IMPACTING FAMILY DAY
CARE HOMES OPERATING WITHIN THE CHILD AND
ADULT CARE FOOD PROGRAM GUIDELINES:
A REVIEW OF LITERATURE**

The U.S. Department of Agriculture (USDA), Child Care Food Program (CCFP) was established in 1975 as a separate nutrition assistance program (U.S. Department of Agriculture [USDA], n.d., Legislative History). The CCFP was renamed in 1989 as the Child and Adult Care Food Program, authorizing eligible adult day care centers to participate in the program. The CACFP functions as a nutrition assistance program providing subsidized reimbursement for nutrition services in nonresidential CACFP facilities such as child care centers, Head Start programs, and family day care homes (FDCH) (USDA, n.d., *Why is CACFP important?*). CACFP-funded programs operate within federal, state, and local child care guidelines with an overriding goal of improving the health and nutrition of children and adults participating in the program, while promoting the development of good eating habits through the use of nutrition education (USDA, 2001).

The USDA Food and Nutrition Service (FNS) is the federal agency that finances the CACFP through grants to individual states. State agencies administer the federally funded CACFP to assure program regulations are implemented at the local level. State agencies also approve and screen organizations that sponsor and provide direct contact with the local level CACFP programs. For many local level child care programs, the CACFP serves as a key source of financial support, providing subsidized reimbursement for food and meal preparation costs for qualified meals served. The CACFP plays a vital

role in improving child care and making it affordable for many low-income families. The child care portion of the program serves approximately 2.6 million children nutritious meals and snacks. (USDA, n.d., *Why is CACFP important?*). In 2001 more than 1.7 billion dollars were provided to CACFP operated programs (USDA, 2002).

Children are a vulnerable population, depending greatly on those who provide their daily care. In the U.S., approximately 25% of children under the age of six live in poverty (The Children's Partnership, 2000). Based on population growth trends, the U.S. will experience an approximate 18% population growth of children by 2030, totaling nearly 93 million children (U.S. Department of Commerce, 1999); and families serve as the building blocks of communities (Rogers, 2001). The well-being of children is critical to the social and economic structure of the local communities. It is recognized that quality child care contributes to positively developing a child's sense of identity, trust of others, and opportunity to acquire successful learning characteristics (Dodge, 1995). Consequently, it is important that early childhood experiences promote an environment supporting the overall development of the child.

The focus of this paper is to examine the available child care literature as it relates to management issues and concerns impacting FDCHs operating within the CACFP framework. The purpose of this review is to identify issues that relate and support the well-being of children served in the program and to make recommendations for further research and training to address these issues.

FDCHs are nonresidential child day care facilities operating in licensed or approved private homes. CACFP regulations mandate that FDCHs operate under the direction of a sponsoring organization that has been approved by the state agency. On

average, FDCH providers care for approximately eight children enrolled in the child care home-based setting (USDA, 1997). The number of children enrolled may differ from state to state based on the state's registry/licensing regulations. The FDCH settings play an important role in meeting the child care needs of the very young and poor (U.S. General Accounting Office, 1994). Gaining a better understanding of the issues related to the management of FDCH begins the process of identifying the issues and concerns needed to fulfill the goal of providing quality nutritional care to the children served. The literature suggests four broad issue areas: accountability, quality, provider, and parental issues. Each area will be discussed in depth.

Accountability Issues

In the early years of the CCFP, approximately 375,000 children were served (USDA, n.d., Legislative History). In 2002, more than 2.8 million children were served in CACFP-operated programs (Child and Adult Care Food Program (2003). The FDCH component of the CACFP increased participation from 19 million in 1977 to 707 million in 2002 (Child and Adult Care Food Program). With the growth of the program, accountability emerged as a key issue to program success and meeting the needs of those served.

The U.S. General Accounting Office (GAO) reported that the CACFP was overwhelmed with fraud and abuse because of a lack of controls to avert the occurrence of intentional deception (U.S. General Accounting Office, 1999). The GAO findings were based on the results of 55 audits and investigations conducted in 23 states. The results indicated that nearly all state agencies were following minimum required controls for detecting fraud and abuse. The findings also identified barriers to strengthening

minimum management procedures to detect fraud and abuse. These barriers included: limited state agency staff, funding, computer technology, training in fraud, and information regarding clarity on the issue of removing noncompliant sponsors from the CACFP (U.S. General Accounting Office).

To safeguard the CACFP against fraud and abuse, interim CACFP integrity regulations were issued with the Agricultural Risk Protection Act of 2000 (ARPA) as a management improvement initiative (Eadie, 2002). The following changes were issued by the ARPA that directly impact accountability of the CACFP (Public Law 106-244):

1. Revises basic institution eligibility requirements.
2. Establishes criteria for State Agency approval of institution applications.
3. Adds new minimum monitoring requirements.
4. Requires distribution of CACFP information to parents of enrolled children.
5. Requires the development and dissemination of allowed reimbursable administrative expenses for CACFP sponsors.
6. Establishes termination procedures for CACFP institutions and homes.
7. Establishes recovery of disbursed funds due to fraud or invalid claims.
8. Identifies percentage administrative expenses for center sponsors.
9. Identifies a time limit state agencies have to limit provider transfers.
10. Establishes that management improvement training shall be provided to state agencies and that state agencies provide the training to CACFP institutions.
11. Identifies that SAE funds to state agencies may be withheld for failure to train and monitor CACFP institutions.

The ARPA guidelines strengthened accountability at the federal, state, and local levels. Strengthened accountability provides a framework for oversight to assist in improving program integrity. Accountability also increases the likelihood that FDCH providers supply services and care that assure the well-being of infants, toddlers, and young children.

Quality Issues

Child care quality is important for all aspects of child development including physical, cognitive, emotional, and social (U.S. General Accounting Office, 1994). This issue is particularly true in the early years of life. During this time, child care programs play an important role in children's social and emotional development, which in turn impacts their cognitive abilities and future academic success (Dodge, 1995; Peisner-Feinberg, 1999). Quality is a multifaceted term when it comes to the care of children.

Effective training leads to quality managed programs. Training FDCH providers on the CACFP provides information on the food program and improves quality of the services provided. Few FDCH providers have adequate training in early child development (U.S. General Accounting Office, 1994). Training FDCH providers in early childhood development, nutrition, safety, and child health provides a foundation to support a quality managed FDCH.

Children cared for in an environment with low child-to-staff ratio, low staff turnover, and facilities that provide a safe and hazard-free environment are indicators of quality child care (U.S. General Accounting Office, 1994). According to Dodge (1995), low wages, high staff turnover, and inappropriate curriculum are major factors negatively impacting the quality of child care.

The quality of child care in FDCH varies (National Center for Children in Poverty, 1994). In the FDCH setting there is a low child-to-caregiver ratio, serving approximately six to eight children to one adult in a given home. Providers operating FDCHs within the guidelines of the CACFP have a regulatory framework to assure the nutrition needs of children are met, training is provided, and oversight of the program occurs. This framework leads to a quality managed program and an established level of quality care for the children served.

Provider Issues

The changing workforce and the increasing need for child care provides an employment opportunity for individuals in establishing a home-based business. FDCHs are often operated by local community women interested in the well-being and care of children, including their own children. Within the FDCH provider community, there is a wide range in skills among FDCH providers.

Along with other forms of child care, FDCH providers face diverse challenges. For some FDCH providers adequate compensation is an issue. They also struggle with unstable pay, a feeling of isolation, and long work hours (Lifton, 2001). The national average salary of a licensed FDCH provider is \$9,172 annually. Since they are independent businesses, benefits are limited or unavailable. For some, having no health or retirement benefits is a major concern (Lifton).

FDCH providers experience difficulty attending training sessions during their long work hours. Managing and operating a home-based FDCH often restricts the provider's time to attend training. Providers who have operated three years or less tend to desire training on the business aspects of administering a home-based business

(Dombro & Modigliani, 1995). Providers who have been in the FDCH business greater than three years turn attention on training that addresses quality of care and education of the children served (Dombro & Modigliani). The researchers (Dombro & Modigliani) also reported that providers appreciated training that allows them to: engage in a guided discussion with other providers/peers, observe an experienced provider's child care setting, and participate in a sharing session that encourages learning from one another. Specific training in child development and childhood nutrition is particularly important to ensure compliance with CACFP regulations.

Providers participating in the FDCH program are constantly challenged to provide meals that comply with federal, state, and local standards for nutrition and food safety. Therefore, training that translates technical nutrition concepts into practical food selections and cost-effective purchasing decisions would be beneficial (USDA, n.d., *Child care*). The meals served in the FDCH setting have the potential of influencing the dietary habits of the children served for a lifetime.

Parental Issues

The family structure as well as labor force characteristics in the U.S. is changing. The dramatic increase of women in the labor force is recognized as the single most important factor for the increased demand for child care. In addition, shift work is projected to produce more new jobs in the U.S. workforce than any other sector (*Changing Child Care Needs and the Changing Workplace*, n.d.). This finding alone will add to the ever-changing demand for child care, requiring child care beyond a regular eight to five work day. In 1997, approximately three quarters of all preschool children were cared for by someone other than a parent (Capizzano, Adams, & Sonenstein, 2000).

It is estimated that the number of children attending day care will continue to increase. Although the percentages are very similar over the past decade, 61 percent of children who have not reached kindergarten age received child care services from someone other than their parents. This percentage translates to approximately 12 million children (Federal Interagency Forum on Child and Family Statistics, 2002). Therefore, access to quality child care is a critical issue for parents.

The specific characteristics of FDCHs, such as offering child care at odd hours and on weekends, make the program an especially attractive form of child care for low-income, shift-working parents, and single mothers. Coupled with the fact that the lack of other forms of child care programs is most prevalent in rural, particularly predominantly African American, Hispanic, or Native American communities, FDCHs are in a very high demand (National Center for Children in Poverty, 1994).

Many parents are not able to find anyone to care for their children, which results in leaving a job or not being able to accept a new job (Lifton, 2001). Low-income families are often faced with the dilemma of locating affordable child care. Studies show that families that receive child care subsidies improve their economic status and lessen their dependence on other forms of public aid (Lifton, 2001). In the late 1990s only ten percent of the 14.7 million children of families eligible to receive child care subsidies were actually served (Lifton, 2001). Thus, the lack of available FDCHs and other forms of child care impacts individual family economic status and dependence on governmental aid.

Conclusions

The focus of this paper was to examine the child care literature as it relates to management issues and concerns impacting FDCHs in an effort to identify issues that relate and support the well-being of children served. FDCHs are nonresidential child day care facilities operating in licensed or approved private homes. FDCHs operating within the CACFP guidelines follow federal, state, and local child care guidelines.

The results of this literature review provide useful information regarding the FDCH program and the vital role it plays at the local level in providing child care services of children living within the community. Although little is written outside program regulation issues, it is evident that FDCH providers participating within the guidelines of the CACFP supply a service that meets the child care needs for working parents at the community level.

Providers operating FDCHs within the guidelines of the CACFP have a regulatory framework to assure the nutrition needs of children are met, training is provided, and oversight of the program occurs through a monitoring process directed by the sponsoring organization. The CACFP framework supports success for integrity and quality of FDCHs operating within the program guidelines.

Although providers are often faced with operational challenges such as low pay, limited training opportunities, and isolation from adults with like interests, the providers managing an effective FDCH child care business provide quality care to the children served. These programs also provide a valuable service to the children, parents, and community.

Recommendations

By recognizing the issues that impact FDCHs operating within the CACFP, the NFSMI is better prepared to effectively respond to the program issues through research, education, and training. The following recommendations identified by the researchers are suggested.

- Conduct research to identify the perceived training needs of FDCH providers operating within the CACFP guidelines.
- Conduct research to identify the perceived barriers associated with the administration of an FDCH operating within the CACFP guidelines.
- Explore the application of the Community Health Model as an effective training approach for FDCH providers.
- Provide training materials for FDCH providers on managing a sound home-based child care business.
- Investigate appropriate marketing strategies to promote the FDCH as a viable child care source for working parents.
- Conduct research to identify the deterrents to parents choosing FDCH as a viable child care option.

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