The logo for Home Grown features a stylized grey 'G' with a white leaf-like shape inside, followed by the words 'HOME GROWN' in a bold, green, sans-serif font.

**illinois
action for
children**
Building Strong Families
& Powerful Communities™

Illinois Action for Children uplifts children and all who care for them, advancing strong families and prosperous communities. Learn more on our [website](#).

Introduction

According to the United States Department of Agriculture (USDA), [more than 9 million children in the United States are food insecure](#). Many school-age children depend on free school breakfasts and lunches in order to stave off hunger for the majority of the day. Younger children, however, have fewer public guardrails to ensure their nutrition. The federal Child and Adult Care Food Program (CACFP) is designed to reimburse child care programs for healthy meals and snacks served. But eligibility for participation and successful documentation of compliance with program requirements has been a challenge for the [estimated 5 million family, friend and neighbor \(FFN\) caregivers who look after 11.5 million children](#).

This case study is meant to offer a path forward for state child care administrators; state CACFP lead agencies; CACFP food program sponsors; child advocates, child care advocates and hunger advocates; and intermediary organizations working on behalf of young children in their communities. The data in Cook County are compelling and definitively dispel the myth that FFN caregivers cannot participate in CACFP. In fact, while funding levels are currently inadequate and collaboration among siloed programs is required, the work in Cook County illustrates that:

- State child care administrators can access additional, stable federal funding for FFN caregivers in their states via CACFP.
- State child care administrators can leverage CACFP participation to engage FFN caregivers in additional training on child development and other foundational topics.
- CACFP state lead agencies can draw down additional federal funding via CACFP by ensuring the successful participation of FFN caregivers, thereby boosting state income as a whole.
- CACFP sponsors can utilize CACFP coaching as a means to offer FFN caregivers additional support – including participation in other public funding programs and access to additional resources designed to ensure the health and well-being of the caregivers and the children in their care.
- Advocates can reduce the incidence of hunger in their states and strengthen the safety net available to low-income children and families via FFN caregiver participation in CACFP.

CACFP and CCDF Programs and Regulations

The USDA operates the CACFP, thereby funding states for snacks and meals provided to qualified children and adults in school, child care, and other allowable settings. This is a highly regulated program, which significantly impacts the level of hunger felt in the country. CACFP, because of its focus on children, is a key funding source for the meals served in the child care sector – including centers, licensed home-based child care providers, and license-exempt home-based child care providers. Note that the terms *license-exempt home-based child care providers* and *family, friend and neighbor (FFN) caregivers* are often used interchangeably as most FFN caregivers are legally exempt from licensure. FFN caregivers are family members and trusted friends who care for related and other children. In Illinois, FFN caregivers may legally care for up to three children without a license.

The federal regulation is clear that all licensed child care providers may choose to participate in CACFP, and it also clearly allows state administrators the authority to establish an alternative approval process for child care providers who are not licensed. “If licensing or approval is not available, a day care home may participate in the Program if: (1) It receives title XX funds for providing child care; or (2) It demonstrates compliance with CACFP child care standards or applicable State or local child care standards to the State agency” (7CFR Part 226 updated as of 1/20/2023). The regulation also includes: a requirement that state agencies administering CACFP give information about the state’s child care standards and CACFP standards to CACFP sponsors; authority to require sponsors to demonstrate license-exempt provider compliance with local child care standards; a requirement that food program sponsors submit health/sanitation and fire/safety permits or certificates for all license-exempt facilities; and a requirement that state agencies establish a procedure to review information submitted by sponsors on behalf of license-exempt providers.

Pathways for Engaging FFN Caregivers in CACFP



The following text is excerpted from the [Code of Federal Regulations](#) as it relates to how the state agency can meet the federal licensing/approval criteria for participation of child care programs in CACFP. The excerpted portions below are relevant for engaging FFN caregivers.

"Each State agency must establish procedures to annually review information submitted by institutions to ensure that all participating child care centers, at-risk afterschool care centers, outside-school hours care centers, and day care homes: (i) Are licensed or approved by Federal, State, or local authorities, provided that institutions that are approved for Federal programs on the basis of State or local licensing are not eligible for the Program if their licenses lapse or are terminated; or (ii) Are complying with applicable procedures to renew licensing or approval in situations where the State agency has no information that licensing or approval will be denied; or (iii) Demonstrate compliance with applicable State or local child care standards to the State agency, if licensing is not available; or (iv) Demonstrate compliance with CACFP child care standards to the State agency, if licensing or approval is not available."

"State agencies shall provide information about applicable State child care standards and CACFP child care standards to institutions, but may require institutions electing to demonstrate compliance with applicable local child care standards to identify and submit these standards."

"The State agency may permit...sponsoring organizations on behalf of their facilities, to submit self-certification forms, and may grant approval without first conducting a compliance review at the center or facility. But the State agency shall require submission of health/sanitation and fire/ safety permits or certificates for all facilities seeking alternate child care standards approval."

"Each State agency shall establish procedures to review information submitted by institutions for...homes for which licensing or approval is not available in order to establish eligibility for the Program."

"When licensing or approval is not available...sponsoring organizations on behalf of...their day care homes, may elect to demonstrate compliance, annually, with...CACFP child care standards or other standards specified."

"Sponsoring organizations on behalf of their facilities, may choose to demonstrate compliance with either CACFP child care standards, applicable State child care standards, or applicable local child care standards."

While CACFP regulation clearly allows license-exempt providers to participate in the program, not all state agencies administering CACFP have operationalized an alternative pathway to licensure for CACFP participation, thereby disallowing FFN caregiver participation. As noted by a [2021 report from the Urban Institute](#), this is in spite of the fact that "eligibility for accessing CACFP funds is not affected by whether the caregiver is related to the child. Instead, federal rules require that to be eligible for CACFP, the caregiver must be caring for at least one child who does not live in the caregiver's home."

The federal Child Care Development Fund (CCDF) program specifically provides state child care administrators the opportunity to define license-exempt providers qualified to participate in the state's child care subsidy program. The state agency administering CACFP could easily use the Child Care Lead Agency's definition of license-exempt providers as the proxy for CACFP participation by instating presumptive eligibility for CACFP based on CCDF participation.

State/Territory CCDF Plans

The Child Care and Development Block Grant Act (CCDBG) requires that each state/territory submit a CCDF Plan describing how it will implement the CCDF program over a three-year cycle. The federal government provides a Plan template that requires states to address the following:

Lead Agencies are required to certify that there are in effect licensing requirements applicable to all child care services in the state/territory, which supports the health and safety of all children in child care. States and territories may allow **licensing exemptions**. Lead Agencies must describe how such licensing exemptions do not endanger the health, safety, and development of CCDF children in license-exempt care (98.16 (u)).

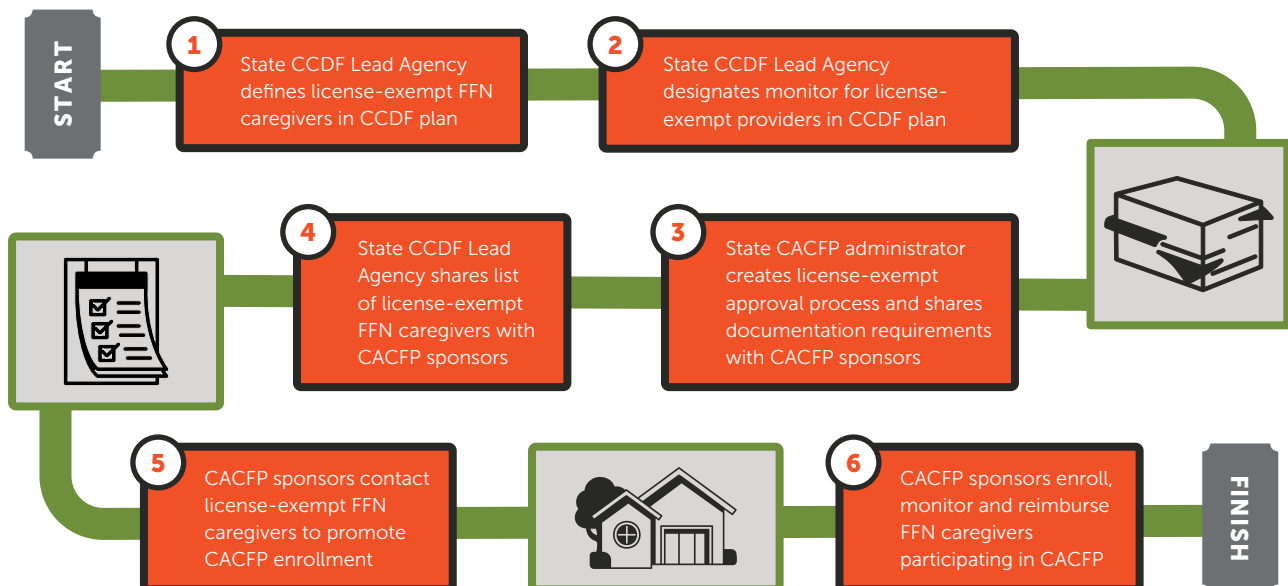
Lead Agencies also must certify that there are in effect health and safety standards and training requirements applicable to providers serving CCDF children whether they are licensed or **license-exempt**. These health and safety requirements must be appropriate to the provider setting and age of the children served, must include specific topics and training on those topics, and are subject to monitoring and enforcement procedures.

If any types of providers are **exempt from licensing requirements**, the state/territory must describe those exemptions and describe how these exemptions do not endanger the health, safety, or development of children. The descriptions must also include any exemptions based on provider category, type, or setting; length of day; and providers not subject to licensing because the number of children served falls below a Lead Agency-defined threshold and any other exemption to licensing requirements (658E(c)(2)(F);98.16(u); 98.40(a)(2)(iv)).

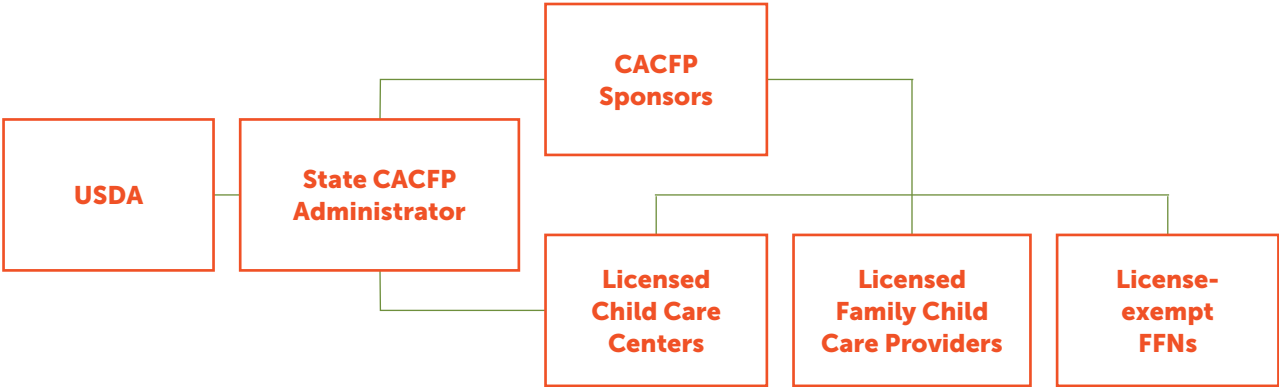
State/Territory Plans for FY2025-2027 can be [found here](#).

When the Process is the Barrier: Pathway for FFN Caregiver Participation in CACFP

While access to CACFP via an alternative qualifying pathway is the first critical step for FFN caregivers, as shown below, there are many additional operational barriers to participation. CACFP or “food program” sponsors are key players in this work.



Federal regulation stipulates that licensed child care centers may choose to administer their own CACFP program and work directly with the state around compliance, reporting, and payment. However, participating home-based child care providers must work with a third-party administrator or a food program sponsor to access CACFP funding. Many centers also choose to participate via sponsors. The structure and roles of CACFP participation are illustrated below:



Each state has its own policies and procedures for soliciting and monitoring food program sponsors, although the responsibilities and the rates of payment are uniform and established through the USDA's CACFP regulation. CACFP sponsors are paid an administrative fee that is calculated based on the number of menus submitted by the providers each month. However, costs to administer the food program differ widely among sponsors based on location – sponsors in rural areas have higher travel time and costs, sponsors in large urban areas have higher staffing and occupancy costs, and sponsors who work with hard-to-reach FFN providers have extensive costs related to outreach and engagement.

Not only is the sponsor rate of pay insufficient, but cash flow challenges exist due to timing of payments. Sponsors are typically paid only after all provider claims and menus have been submitted to the state CACFP administering agency. Therefore, even in those states where the CACFP state administrator has established an alternative pathway for license-exempt provider participation in CACFP, take-up will be limited among FFN caregivers unless sponsoring food program organizations have dedicated funding to promote interest in the program and engage FFN caregivers throughout the training and enrollment process.

Some states have leveraged the explicit and implicit alignment between CACFP and CCDF to efficiently qualify and operationalize the participation of license-exempt child care providers in CACFP, thereby helping to keep more children well-fed and more FFN caregivers on solid financial ground. Illinois is one such state. A case study of this work in Cook County, Illinois, follows and is designed to illustrate best practice in state-level messaging and coordination, and leveraging of funding sources at the ECE intermediary organization level that result in tangible benefits to FFN caregivers and the children for whom they care.

Illinois Model

The Illinois Action for Children's (IACF's) [most recent annual report](#) included the following information about their Healthy Food Program:

When you're hungry, learning isn't a priority. The critical connection between proper nutrition and healthy early development is well-established. Without adequate sleep and the right foods, the ability to focus and function is compromised. Even if children attend the very best early childhood programs, learning is difficult if they lack proper nutrition. Since 2006, IACF's Healthy Food Program has countered the negative long-term impacts of food insecurity for children cared for by hundreds of home-based Cook County child care providers – many of whom are license-exempt. Often called family, friend and neighbor (FFN) care providers, they are primarily relatives or other trusted adults. Healthy food helps build brighter futures. We know that children (birth to 12) and their FFN providers enrolled in

our Healthy Food Program typically live in under-resourced communities with little to no access to affordable, nutrient-rich foods. Through our Healthy Food Program, providers receive vital meal and snack reimbursement to ensure children in their care can reap the benefits of proper nutrition. Providers also receive training about the importance of early childhood nutrition and physical activity. When you feed a child well, you fuel their education and help build a brighter future for everyone.

The Child Care Development Fund (CCDF) subsidy program is called Child Care Assistance Program (CCAP) in Illinois and is administered by the Illinois Department of Human Services – Early Childhood Development (IDHS)¹. The state agency responsible for administering CACFP is the Illinois State Board of Education (ISBE). The nonprofit organization Illinois Action for Children (IAC) plays several key roles in the early childhood sector. IAC is a CACFP sponsor under annual agreement with ISBE and a child care resource and referral (CCR&R) agency under contract with ISBE. In addition to providing information to parents seeking child care, in Illinois, CCR&Rs are responsible for monitoring license-exempt providers that receive CCAP funding. Therefore, under its CCR&R contract with IDHS, IAC staff also serve as Health & Safety Coaches for FFN caregivers. While under contract with two different state agencies, IAC leverages the requirements of and the required activities for each program to bolster the well-being of children receiving FFN care and their FFN caregivers.

While IAC is a key player in operationalizing FFN provider enrollment in CACFP, state policy is foundational to the coordination and collaboration that allows this work to flourish. The [Illinois 2022-2024 CCDF plan](#) includes the following information in response to the federal requirement to describe the coordination between CACFP and other relevant nutrition programs and their child care programs:

The Illinois State Board of Education (ISBE) is responsible for the Child and Adult Care Food Program and works closely with the Lead Agency to include license-exempt child care providers serving CCDF children. The Lead Agency provides confirmation that home-based child care providers who are applying for the CACFP are currently receiving CCAP funding, which is an eligibility criterion for home providers. This is done on a continuous basis as providers apply for the CACFP. This coordination results in stronger compliance with CACFP eligibility criteria and greater access to CACFP funding for license-exempt child care providers.

Another section of the Illinois CCDF plan states: “The Health & Safety Coaches provide technical assistance around health and safety standards for the license- exempt providers.” And yet another describes the tiered funding mechanism that Illinois has created to incentivize FFN caregivers to increase their expertise. “License-exempt family child care providers completing Training Tiers receive an add-on for each CCAP child in care. The percentage ranges from 10%-20% depending on the tiers completed.”

Engaging and Enrolling FFN Caregivers Into Illinois CACFP

The path to CACFP participation for FFN caregivers in Illinois is by enrolling a child whose parents receive child care subsidy (CCAP). As described above, IDHS defines eligibility for CCAP to include license-exempt providers within the approved CCDF Plan, which also outlines the minimum health and safety training and monitoring visits for this provider type. In turn, ISBE offers presumptive CACFP participation for all providers, including license-exempt. FFN caregivers have a three-month grace period in which they can continue to participate in CACFP even if the child’s CCAP case is expired due to late renewal.

¹ Starting July 1, 2026, the CCDF subsidy program and child care licensing in Illinois will be administered by a new state agency called the Illinois Department of Early Childhood.

The Illinois policy alignment between CCAP and CACFP can be summarized as follows:

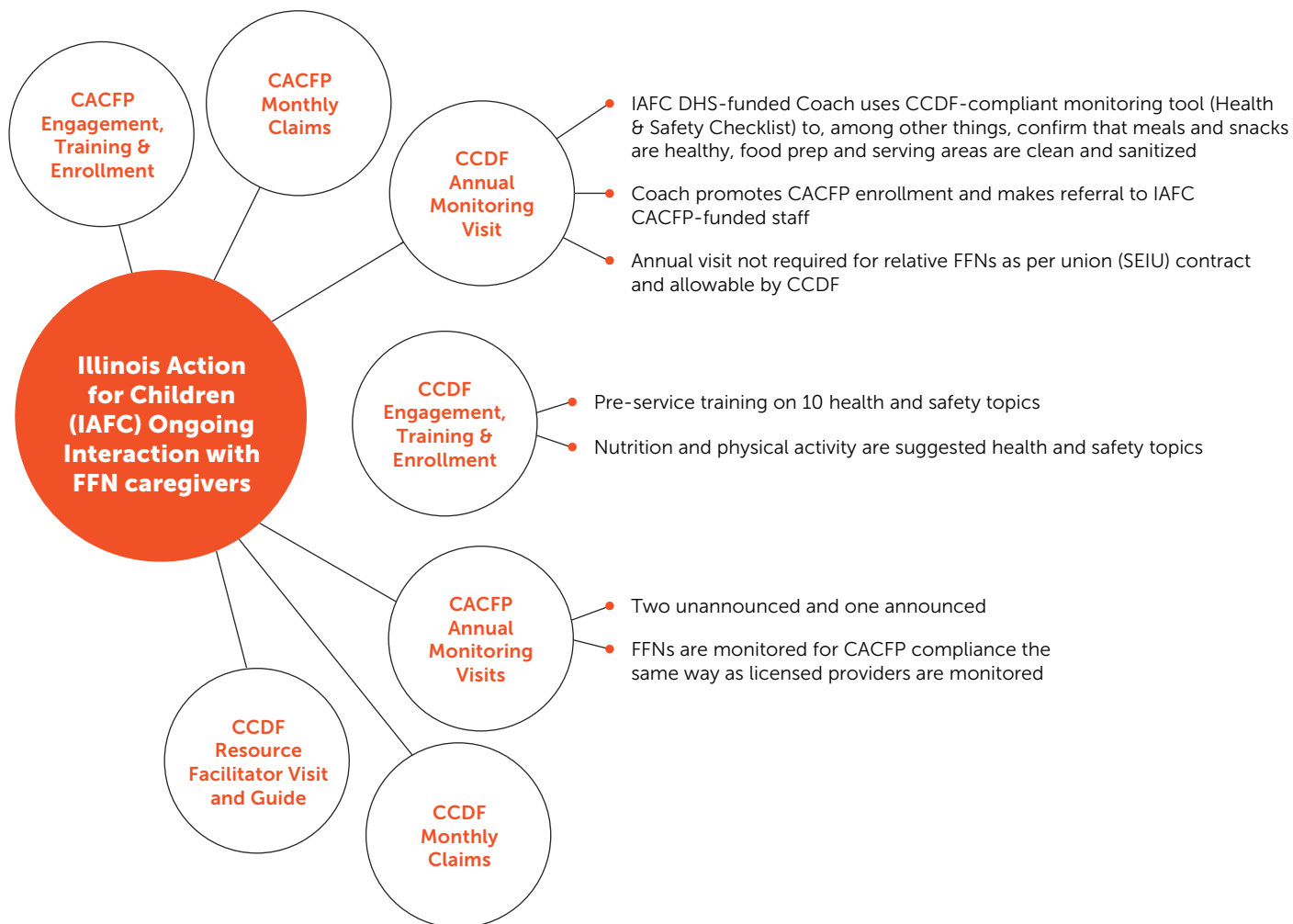
- License-exempt providers (relative & non-relative) participating in CCAP must meet federally mandated background checks.
- License-exempt CCAP providers (non-relative) must meet health and safety pre-service and annual training requirements and are monitored annually for compliance with federal requirements.
 - **Therefore, CCAP license-exempt providers are eligible to participate in CACFP.**
- License-exempt providers participating in CACFP must meet all CACFP requirements.
- License-exempt CACFP providers are monitored three times per year as CACFP requires.

This results in license-exempt providers who participate in both CCAP and CACFP having a number of structured interactions with publicly funded programs, supports, and resources. Providers in this group receive at least three monitoring visits per year and non-relative FFN providers receive four visits per year. IAFC staff answer questions, address problems, and give assistance through advice and referral resources. While the topics addressed are myriad, some of the most common include basic needs (emergency financial support; access to food and food pantries, housing/utility assistance, and diapers), transportation, mental health services, and services for children with special needs. The active engagement helps them better meet their own needs and those of the children they serve, and realize an increase in their social capital.

The existence of the Illinois pathway alone, however, is not enough to engage FFN providers in CACFP. Both licensed and license-exempt providers are hesitant to enroll in CACFP because of the multiple home visits, the rigor of meal planning and documentation, and the low rates of reimbursement for meals and snacks provided. IAFC became a CACFP food program sponsor, in part, to specifically fulfill this need. Having long-established provider relationships through its role as a CCR&R agency and having further created trusting relationships with license-exempt providers through the CCR&R role as a monitor for license-exempt providers participating in CCAP, IAFC has been able to leverage these relationships to address hunger in the community.

IAFC creates efficiencies by leveraging the CCDF requirements and the funding to fulfill them to bolster FFN caregiver outreach, engagement, and CACFP participation. Through the CCDF annual monitoring visit, IAFC staff continue to identify new FFN caregivers to enroll in the CACFP program. The CCDF team takes an integrated approach, thereby supporting CACFP outreach, technical assistance, and training even in advance of a FFN caregiver's formal enrollment in CACFP. These efficiencies are critical, given that only 25% of FFN providers that express interest in CACFP ultimately apply to participate with IAFC. Further stretching the IAFC budget, approximately 24% of enrolled license-exempt providers never submit a menu to claim reimbursement. CACFP sponsors are paid based on the number of menus that providers successfully claim for reimbursement. So as CACFP sponsor, IAFC receives no administrative payment for all the outreach, engagement, enrollment, training, and other work already performed for providers who do not submit their menus for reimbursement.

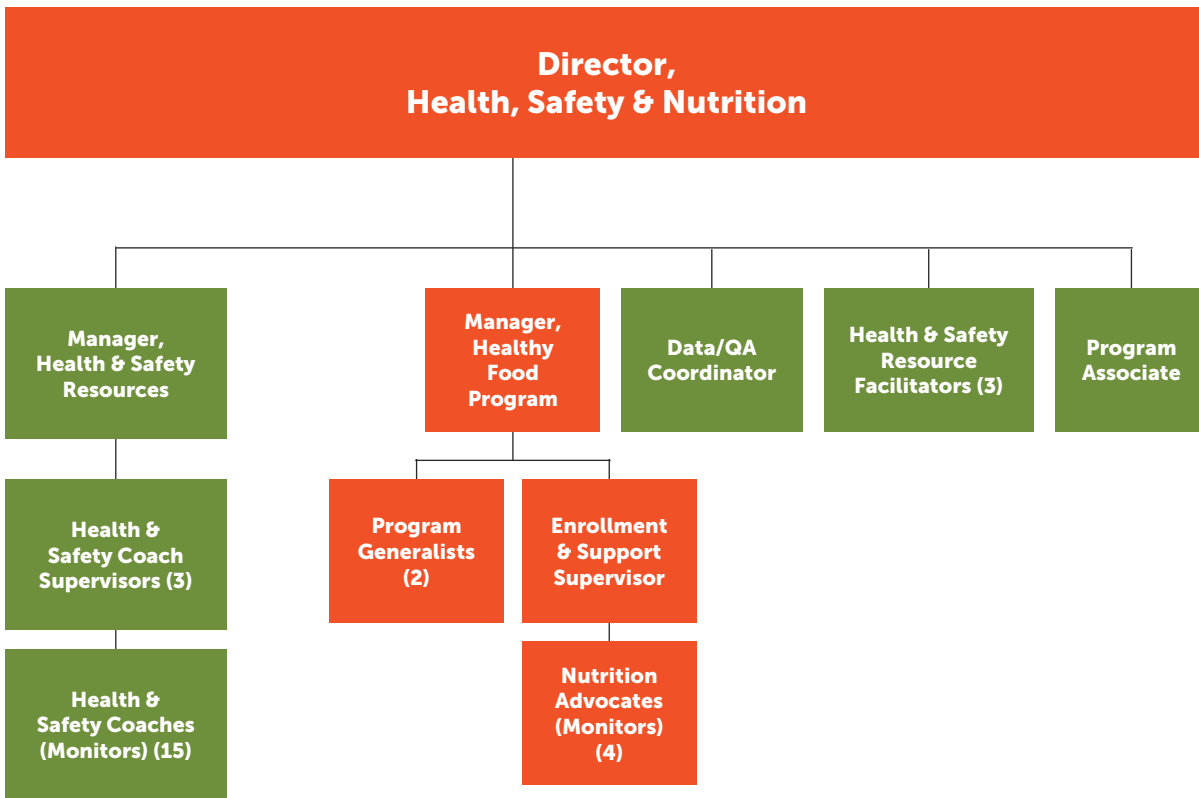
As a team, the Health, Safety & Nutrition department within IAFC engages FFN providers with a variety of resources, training, and other supports to ensure that they are maximizing both the quality of care provided and the funding that they receive in compensation for that care.



Scale and Costs

In Cook County, Illinois, there are 652 non-relative FFN caregivers and 5,696 relative FFN caregivers that participate in CCAP. This represents a total of 6,348 license-exempt homes participating in CCAP. IAFC is the CACFP sponsor for approximately 3% of these providers (174). In addition, IAFC is the CACFP sponsor for 423 licensed family child care homes. The annual cost to administer the CACFP program for these 597 providers is approximately \$720,000 or \$100 per provider per month. This includes staff time and travel costs for visits to the providers and caregivers. However, administrative revenue from the USDA is based only on the number of providers who submit a monthly menu. Sponsors are paid based on monthly menus that are successfully claimed, and not on actual staffing and occupancy and travel costs. Further complicating the fiscal bottom line for sponsors, the admin rate per menu varies based on the number of providers sponsored at any point in time. This payment structure creates a disincentive for sponsors to grow beyond a specific size in spite of provider need. There is no stated rationale around this rate structure. While it stands to reason that larger sponsors likely have more CACFP expertise and specialized technology, it does not track that administrative costs per provider reach a maximum point beyond which they never increase simply based on the number of providers sponsored.

IAFC generates an annual CACFP operating loss of approximately \$62,000. This gap is filled with philanthropic grants and contributions. While significant, the gap is minimized through the integrated approach that IAFC takes to CACFP engagement and enrollment described above. Several of the CCDF-funded positions specifically support the CACFP program in meeting and maintaining the highest-possible number of FFN caregivers in CACFP, thereby maximizing IAFC opportunities to generate administrative revenue under this program.



Green boxes note staff positions funded via CCDF; orange boxes note positions funded via CACFP.

Summary

This collaborative, coordinated, and FFN-inclusive approach in Cook County begins with state policy that aligns and coordinates CCDF and CACFP funding and regulation. Compliance, while fundamental, is treated as collaborative and iterative rather than high stakes, beginning with use of the word “coach” rather than “monitor” in the Illinois CCDF plan. To encourage CACFP participation and feed more children, Illinois offers FFN providers participating in CCAP presumptive eligibility for CACFP (if care is provided in the home of the FFN provider). Illinois taps trusted intermediaries (CCR&Rs) rather than the state lead agency for CCDF to provide health and safety monitoring for FFN caregivers participating in CCAP, and offers FFN caregivers who complete additional training increases in payment for each CCAP child in care. FFN caregivers participating in CCAP can also apply for quality improvement grants. These grants of up to \$300 per year for a FFN caregiver providing care in her own home are designed to fund the purchase of materials and equipment needed to address health and safety in the home. Commonly purchased items include first aid kits, fire extinguishers, and safety gates. Finally, Illinois allows FFN caregivers a three-month grace period in which they can continue to participate in CACFP even if the child’s CCAP case is expired due to late renewal. These types of incentives and allowances send a clear and consistent message to FFN caregivers in Illinois that they are integral players in the state’s child care ecosystem.

The state’s policy and regulatory alignment between CCDF and CACFP programs and its emphasis on the importance of FFN caregivers is mirrored in a top/down, bottom/up approach from early childhood education intermediaries such as IAFC. A trusted intermediary serving multiple roles in the early childhood ecosystem, IAFC leverages funding and invests organizational resources to encourage CACFP participation among FFN caregivers and to support these providers in accessing food, health and safety, child development, and additional resources that they might need to secure their own well-being and that of the children in their care.

Acknowledgements

Home Grown is grateful to the primary authors of this publication, Tom Browning and Amy Friedlander, for their insight and commitment to this body of work. Their knowledge, experience, and synthesis have resulted in actionable recommendations and a path forward for supporting FFN caregiver participation in CACFP.