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Military Child Development Program: Background and Issues

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Summary

The Department of Defense (DOD) operates the largest employer-sponsored childcare program in the United States, serving approximately 200,000 children of uniformed servicemembers and DOD civilians, and employing over 23,000 childcare workers, at an annual cost of over $800 million. DOD's child development program (CDP) includes a combination of accredited, installation-based, government-run, full-time pre-school and school-aged care in Child Development Centers (CDCs) and subsidized care in Family Care Centers (FCCs) or through private providers under the Fee Assistance program.

Childcare services are part of a broader set of *quality of life* benefits that make up the total compensation package for military personnel and certain DOD civilians. The Department has argued that these childcare benefits help support their recruiting, retention, and readiness goals and that there is generally a high level of satisfaction among servicemembers who use DOD childcare services. Moreover, military family advocacy groups have largely supported existing childcare benefits and have also called for expanding awareness of, access to, operating hours for, and improving or enhancing other aspects of military childcare services.

While there has been broad support for DOD's CDP since its inception, the questions of what benefits should be provided to military servicemembers and their families, how these benefits should be structured, and what resources should be directed to these benefits are issues for Congress when considering the annual defense budget authorization and appropriation.

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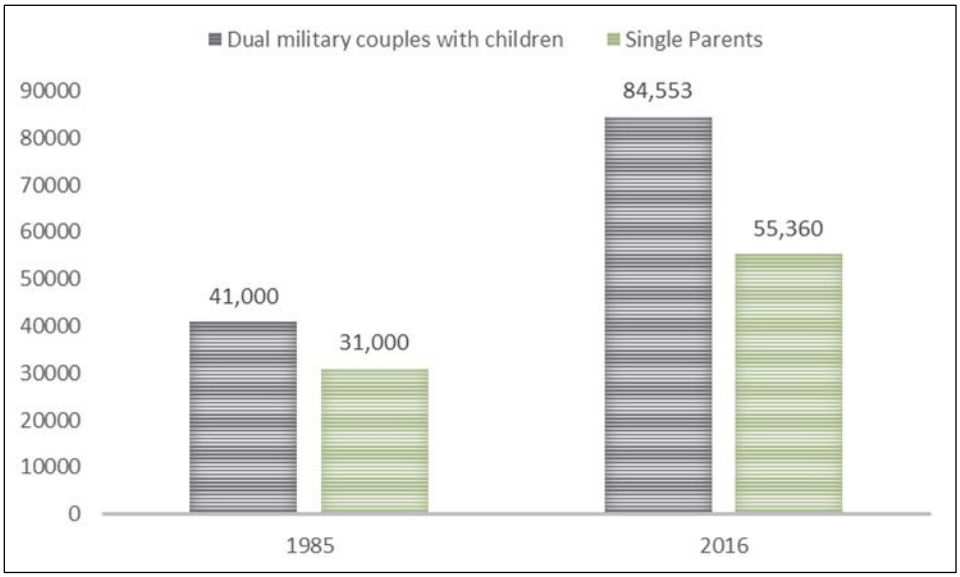
Background and Introduction

For most of the history of the U.S. military, young, single males were favored for recruitment and induction to the military by various laws and policy.[1] Following the end of the draft and the beginning of the all-volunteer force (AVF) in 1973, DOD was required to compete for manpower with civilian employers. As DOD continually expanded its recruiting efforts, the proportion of women in the active component of the military grew from about 2.5% in 1973 to 16% in 2018.[2] In addition there are almost twice as many dual-military married couples and single parents serving on active duty than in 1985 (see **Figure 1**).Thus, family-oriented benefits and programs have become an increasingly important component of DOD's total servicemember compensation package. DOD's child development program (CDP) is one of these family-oriented initiatives and is part of a broader set of community and family support programs.[3]

Figure 1. Change in Dual-Military Couples and Single Parents

Active Duty, 1985 and 2016



Source: Government Accounting Office, Observations on the Military Child Care Program: Statement of Linda G. Morra before the Subcommittee on Military Personnel and Compensation, Committee on Armed Services, House of Representatives, T-HRD-88-28, August 2, 1988. Department of Defense, 2016 Demographics: Profile of the Military Community, 2016, p. 118, http://download.militaryonesource.mil/12038/MOS/Reports/2016-Demographics-Report.pdf.

This report traces the development of DOD-sponsored childcare services and discusses these issues in greater depth in order to support Members of Congress in their oversight role. The next section gives an overview of DOD's justification for the CDP program and demand for services. Next is a discussion of current CDP components, policies, and funding. This is followed by the legislative history of DOD-sponsored childcare in the military. The final section discusses issues

[1] Some of these policies have included barriers to enlistment for men and women who are married or have children, and mandatory discharges for women who married or became pregnant while in service.

[2] Defense Manpower Data Center, Active Duty Master Personnel File, Table of Active Duty Females by Rank/Grade and Service, January 2018, available at https://www.dmdc.osd.mil/appj/dwp/dwp_reports.jsp.

[3] These programs fall under the umbrella of "quality of life" programs and also include, for example, counseling services, transition assistance, and legal assistance.

and options for Congress related to oversight and funding of military childcare programs. Other family or youth recreation and enrichment programs are beyond the scope of this report.

Why Does DOD Provide Childcare Services?

DOD considers childcare services a quality-of-life benefit and DOD officials have indicated that the primary reason for providing childcare services is to enhance force readiness.[4] DOD's stated policy is to ensure that childcare services

> [s]upport the mission readiness, retention, and morale of the total force during peacetime, overseas contingency operations, periods of force structure change, relocation of military units, base realignment and closure, and other emergency situations.[5]

DOD credits the availability of quality childcare on or near installations with reducing lost duty time (e.g., absenteeism and tardiness) and parental distractions that could harm servicemembers' productivity. For example, in 1987, the Army reported survey data showing that 20% of enlisted and 22% of officers had lost job and duty time due to lack of adequate childcare.[6]

Some within DOD and military family advocacy groups have tied childcare benefits to improved recruitment, morale, and retention of military personnel. A 2017 survey of active duty servicemembers found that 16% of members listed childcare as one of the top five stressors related to military life and 33% listed other worries about the impact of military life (e.g., time away) on their children. With an all-volunteer force (AVF), DOD must compete for talent with civilian employers who have begun to offer more family-friendly policies and benefits over the past few decades. This means that the compensation and benefits packages offered to servicemembers may need to be as good as or better than available civilian compensation packages to recruit and retain talent.

Research on the links between employer-sponsored childcare and employee performance, morale, job satisfaction, and recruitment and retention have had mixed results. In general, some studies suggest positive links between these benefits, employee satisfaction, and organizational commitment.[7] In particular, childcare benefits are seen as more important to those employees lacking support from immediate or extended family. In addition, a 2011 study of family-friendly benefits at federal agencies found positive relationships between childcare subsidy programs, *agency* performance, and reduced employee turnover.[8] Nevertheless, other research has found little empirical evidence that employee-sponsored childcare in the private or public sector has significant positive effects on *individual* performance, productivity, or job satisfaction.[9] Research

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[4] U.S. Congress, House Committee on Armed Services, Subcommittee on Military Personnel and Compensation, *Child Care Programs*, 100th Cong., 2nd sess., 1988, H.A.S.C. No. 100-120, p. 18.

[5] Department of Defense, "Child Development Programs," DODI 6060.02, August 5, 2014.

[6] U.S. Congress, House Committee on Armed Services, Subcommittee on Military Personnel and Compensation, *Child Care Programs*, 100th Cong., 2nd sess., 1988, H.A.S.C. No. 100-120, p. 30.

[7] Ellen Kosek, "The Effects of On-site Child Care on Employee Attitude and Performance," *Personnel Psychology*, vol. 45, no. 3 (1992), pp. 485-509. Steven L. Grover and Karen J. Crocker, "Who Appreciates Family-Responsive Human Resource Policies: The Impact of Family Friendly Policies on the Organizational Attachment of Parents and Non-Parents," *Personnel Psychology*, vol. 48, no. 2 (1995).

[8] Soo-Young Lee and Jeong Hwa Hong, "Does Family-Friendly Policy Matter? Testing Its Impact on Turnover and Performance," *Public Administration Review*, vol. 71, no. 6 (2011), pp. 870-879.

[9] Thomas I. Miller, "The Effects of Employer-Sponsored Child Care on Employee Absenteeism, Turnover, Productivity, Recruitment or Job Satisfaction: What is Claimed and What is Known," *Personnel Psychology*, vol. 37 (1984).

on military families has shown that the readiness impact of childcare concerns varies by family type, with single parents and dual military couples reporting more missed duty time after the birth of a new child or when moving to a new installation.[10] There is also some evidence that childcare challenges may impact retention decisions. Military families have reported that it is "likely or very likely" that child care issues would lead them to leave the military and those with pre-school age children have reported that they are more likely to leave the military than their counterparts with school-age children.[11]

On the other hand, some human resource professionals have also warned that *family-friendly* benefits may lead to perceived inequities and could have negative effects on the morale of *childless* workers or parents who are unable to use the benefit (e.g., those who are wait-listed for childcare spots and/or lower on the priority list).[12] Nevertheless, while researchers have found some evidence of negative employee attitudes towards specific family-friendly benefits, they have not found a relationship with overall attitudes and behaviors towards the organization.[13]

Demand for Military Childcare

Military families may have different childcare needs than their civilian counterparts. Servicemembers typically make a number of permanent change-of-station (PCS) moves throughout a career, making it difficult to maintain consistent full-time childcare arrangements or draw upon support from extended family members and friends. In addition, servicemembers may be required to work extended hours or shift work during times when normal day care providers are not in operation—a problem that may be exacerbated with single-parent servicemembers or in families where both parents are in the service. Even in cases of married couples where the spouse is a civilian, long deployments (typically six months or more) can create childcare challenges for both working and non-working spouses of military servicemembers who essentially become single parents for the duration of the deployment.

DOD tracks *Demand Accommodation Rate* as a metric for whether it is meeting the childcare needs of military families. For FY2015, DOD reported that it was accommodating 78% of demand.[14] Wait list data is one way to measure this demand, which is affected by demographic, geographic, and structural factors. The wait lists for CDCs are managed locally by priority and are based on the date that the request for care was filed, priority criteria, and other mission-related factors at the installation commander's discretion (see **Table 2**). The Military Compensation and Retirement Modernization Commission (MCRMC) found that in 2014 there were 10,979 total children on waiting lists for childcare, with a disproportionate number of children (73%) ages 3 and under on waiting lists.[15]

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[10] Joy S. Moini, Gail L. Zellman, and Susan M. Gates, *Providing Child Care to Military Families*, RAND Corporation, The Role of the Demand Formula in Defining Need and Informing Policy, Santa Monica, CA, 2006, p. 70.

[11] Ibid., p. xviii.

[12] Maryann Hammers, "A Family Friendly Backlash," *Workforce*, July 31, 2003.

[13] Teresa J. Rothhausen et al., "Family-Friendly Backlash—Fact or Fiction? The Case of Organizations' On-Site Child Care Centers.," *Personnel Psychology*, vol. 51 (1998), pp. 685-706.

[14] Department of Defense, *Annual Report to the Congressional Defense Committees on the Department of Defense Policy and Plans for Military Family Readiness: Fiscal Year 2016*.

[15] The National Defense Authorization Act (NDAA) for FY2013 (P.L. 112-239, Subtitle H) established the MCRMC to "make recommendations to modernize such systems in order to—(1) ensure the long-term viability of the All-Volunteer Force by sustaining the required human resources of that force during all levels of conflict and economic conditions; (2) enable the quality of life for members of the Armed Forces and the other uniformed services and their

Although waiting lists numbers are one indicator of demand, they may not accurately represent the total number of additional childcare slots needed. Families that want military childcare services may decide that the waiting list is too long and may seek childcare through other sources. Waiting list numbers might also overestimate demand, if families remain on waiting lists after a PCS move or after military childcare is no longer needed. Demand can also fluctuate based on parental preferences for care, the availability of other community-based childcare options, unit deployment schedules, and changes to mission requirements.

Eligible Population

In 2017, the total share of married-couple families in the U.S. with children under 18 where both parents were employed outside the home was 61.1%.[16] Military servicemembers are, on average, younger than the civilian population, and have fewer children. Although civilian spouses of active duty military members are, on average, more educated than other working age civilians, they are more likely to be unemployed or underemployed and have lower earnings than their civilian counterparts.[17] Approximately 41% of military servicemembers across the total force have dependent children; approximately 2% are in dual-service marriages, 6% are single parents, and 32% are in marriages with a civilian spouse (see **Figure 2**). The total military child population (active and reserve components) under the age of 13 is approximately 1.2 million, with 34% aged 3 and under (see **Figure 3**).[18]

families in a manner that fosters successful recruitment, retention, and careers for members of the Armed Forces and the other uniformed services; and (3) modernize and achieve fiscal sustainability for the compensation and retirement systems for the Armed Forces and the other uniformed services for the 21st century." Military Compensation and Retirement Modernization Commission, *Final Report*, January 29, 2015, https://www.ngaus.org/sites/default/files/MCRMC%202015_0.pdf.

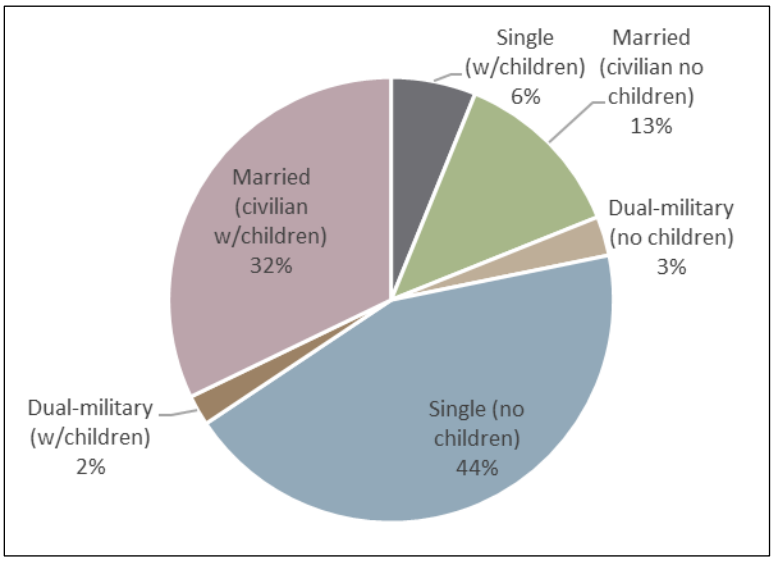
[16] Bureau of Labor Statistics, *Employment Characteristics of Families Summary*, USDL-17-0444, April 20, 2017, https://www.bls.gov/news.release/famee.nr0.htm.

[17] The Council of Economic Advisors, Executive Office of the President, *Military Spouses in the Labor Market*, May 2018, pp. 1-4, https://www.whitehouse.gov/wp-content/uploads/2018/05/Military-Spouses-in-the-Labor-Market.pdf.

[18] DMDC, Active Duty Family Number of Children Report and Selected Reserve Family Number of Children Report, March 2018.

Figure 2. Military Family Status

2016



Source: Department of Defense, *2016 Demographics: Profile of the Military Community*, 2016, p. 118, http://download.militaryonesource.mil/12038/MOS/Reports/2016-Demographics-Report.pdf.

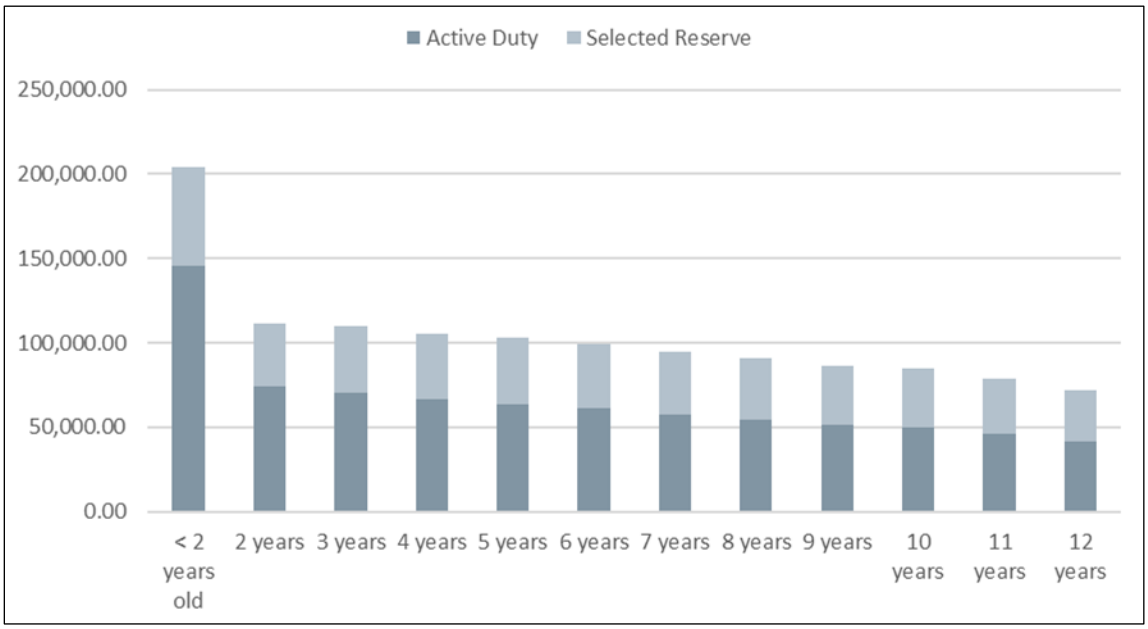
A 2017 survey of military spouses found that among the survey group, approximately 47% of active duty spouses were employed either full time or part time, and 51% of those who are not employed would like to be. Of those not employed, 53% reported childcare challenges were one of the top three reasons for not working.[19] The survey also found that 67% of military family respondents were not always able to find childcare that fit their current situation.[20]

[19] In general, male spouses surveyed had higher full-time employment, higher salaries, and less underemployment than female spouses. Blue Star Families, *2017 Annual Military Family Lifestyle Survey*, 2017. https://bluestarfam.org/wp-content/uploads/2017/11/MFLS-ComprehensiveReport17-FINAL.pdf

[20] Blue Star Families, *2017 Annual Military Family Lifestyle Survey*, 2017, p. 11. https://bluestarfam.org/wp-content/uploads/2017/11/MFLS-ComprehensiveReport17-FINAL.pdf

Figure 3. Number of Children in Military Families by Age (0-12)

March 2018



Source: Defense Manpower Data Center.

Childcare Program Structure, Services, and Funding

DOD offers childcare development programs on and off military installations for children from birth through 12 years, including care on full-day, part-day, short-term, and intermittent bases.[21] The Military and Community Family Policy Office in DOD's Office of the Under Secretary for Personnel and Readiness oversees child and youth programs.[22] DOD's policy states that childcare "is not an entitlement." Servicemembers are not guaranteed childcare support from DOD and they are required to have adequate care plans in place for their dependents.[23] The following are among the childcare services available as part of DOD's child development programs.

- **Child Development Centers (CDCs).** DOD-operated, facility-based care primarily for children from six weeks to five years,
- **Family Child Care (FCC).**[24] Certified home-based childcare services (maximum six children per home at any time) for children from four weeks through 12 years.[25]

[21] According to DODI 6060.02, CDP space used for part-day or hourly programs shall not exceed 20% of the CDP program capacity during duty hours.

[22] See http://prhome.defense.gov/M-RA/Inside-M-RA/MCFP/.

[23] DOD's Procedures for Military Personnel Assignments states, "Military couples and single parents are expected to fulfill their military obligations on the same basis as other Servicemembers. […] To ensure single parents and military couples are available for worldwide duty, they must have current and viable family care plans to provide parent-like care for their dependents when the requirements of military service result in leaving their family behind."

[24] FCCs are also referred to as family home day care, family home care, child development homes, and family day care.

[25] Certification may be made by the Secretary of the Military Department or Director of the Defense Agency or DOD Field Activity.

- **School-age Care (SAC).** Facility-based or home-based care for children ages 6-12, or those attending kindergarten, who require supervision before and after school, or during duty hours, school holidays, or school closures.
- **Supplemental Child Care.** Childcare programs and services that augment and support CDC and FCC programs to increase the availability of childcare for military and DOD civilian employees. These may include, but are not limited to, resource and referral services, fee assistance/subsidy programs, contract-provided services, short-term/respite care, hourly childcare at alternative locations, and interagency initiatives.[26]

In FY2017 the services operated more than 628 CDCs of varying sizes and had certified nearly 2,600 FCC homes (See **Table 1**). The Navy reports a significantly larger number of certified FCC homes than the other services. This is largely due to a push by the Navy in the earlier years of the program towards the FCCs, which proved to be a lower-cost childcare option than the CDCs.[27] The following sections will focus mainly on facility-based care at the CDCs.

Table 1. Child Care Development Centers and Family Care Center Homes

FY2018

Branch of Service	Number of CDCs	Number of FCC homes
Army	288	300
Air Force	169	498
Navy	132	1,728
Marine Corps	39	67

Source: Data as reported or calculated from information in FY2018 service-level budget documents.

CDC Eligibility and Access

Military service members, surviving spouses, and DOD civilians are generally eligible for CDC services; while DOD contractors, military retirees, and other federal agency are eligible on a space-available basis. However, eligibility for CDC benefits does not guarantee access to care. DOD determines the priority categories for care. Currently, priority depends on the employment status of the child's sponsor and the sponsor's spouse or same-sex domestic partner on the date of the application for services.[28] Military rank, paygrade, occupational specialty, General Schedule (GS) rating, or financial need are not official criteria for determining priority. See **Table 2** for a list of DOD's priority categories and eligibility.

[26] Some of these programs include Operation Military Child Care which provides short-term care, primarily during deployments, and Military Child Care in Your Neighborhood.

[27] As stated by Rear Admiral James B. Hinkle, Assistant Commander, Personnel Command, U.S.Navy, "What we are finding is that the cost of doing it in child care centers is very expensive, but if we can do it in the home in a family child care setting, we can reduce this cost considerably." U.S. Congress, House Committee on Armed Services, *Hearing on National Defense Authorization Act for Fiscal Year 2000 (H.R. 1401) and Oversight of Previously Authorized Programs*, 106th Cong., 1st sess., March 10, 1999, HASC 106-8.

[28] DOD child care regulations (DODI 6060.02, August 5, 2014.) define same-sex domestic partners as family members for eligible DOD civilian employees and eligible contractors only. In the case of unmarried, divorced, or legally separated parents with joint custody, children are eligible for child care only when they reside with an eligible sponsor for at least 25% of the time in the month that the child is receiving care through a DOD service.

Table 2. Access Priority for CDCs

Priority Category	Eligible Patrons
Priority 1*	With the exception of combat-related wounded warriors, **ALL** eligible parents in this category must be **employed outside the home.** • Combat-related wounded warriors. • Single child development program direct care staff or staff with a working spouse • Single active duty military servicemembers or married, dual-military active duty servicemembers. • Active duty servicemembers with a working spouse. • Single DOD civilian employees or married dual-DOD civilian employees. • DOD civilian employee with working spouse. • Surviving spouses of a military member who died from a combat-related incident or those acting in *loco parentis*.
Priority 2	Parents are eligible in this priority category if there is a **non-working spouse or same-sex domestic partner** who is **actively seeking employment** (verified every 90 days). • Active duty servicemembers. • DOD civilian employees. • Surviving spouses of a military member who died from a combat-related incident or those acting in *loco parentis*.
Priority 3	Parents are eligible in this priority category if there is a **non-working spouse or same-sex domestic partner** who is **enrolled in an accredited post-secondary institution** (verified every 90 days). • Active duty servicemembers. • DOD civilian employees. • Surviving spouses of a military member who died from a combat-related incident or those acting in *loco parentis*.
Space Available	After meeting the needs of all priority 1, 2, and 3 parents, CDCs may open slots for: • Military or civilian employees with non-working spouses, • Eligible employees of DOD contractors. • Federal employees from non-DOD agencies. • Military retirees.

Source: Department of Defense, "Child Development Programs," DODI 6060.02, August 5, 2014. Memorandum from Stephanie Barna, Principal Deputy Assistant Secretary of Defense (Readiness and Force Management), *Policy Clarification for Priority 1 Access to Department of Defense Child Development Programs*, March 19, 2015.

Note: *Priority 1 patrons are listed in order of precedence (i.e., combat-related wounded warriors have the highest precedence within priority category 1).

Funding

Among DOD's quality of life programs, the CDP is the second largest appropriated-fund program, with the military commissary program having the highest annual expenditures.[29] Appropriations for DOD's Child Development Program are made from different accounts. Funds for the construction of care facilities come from military construction (MILCON) funds, while

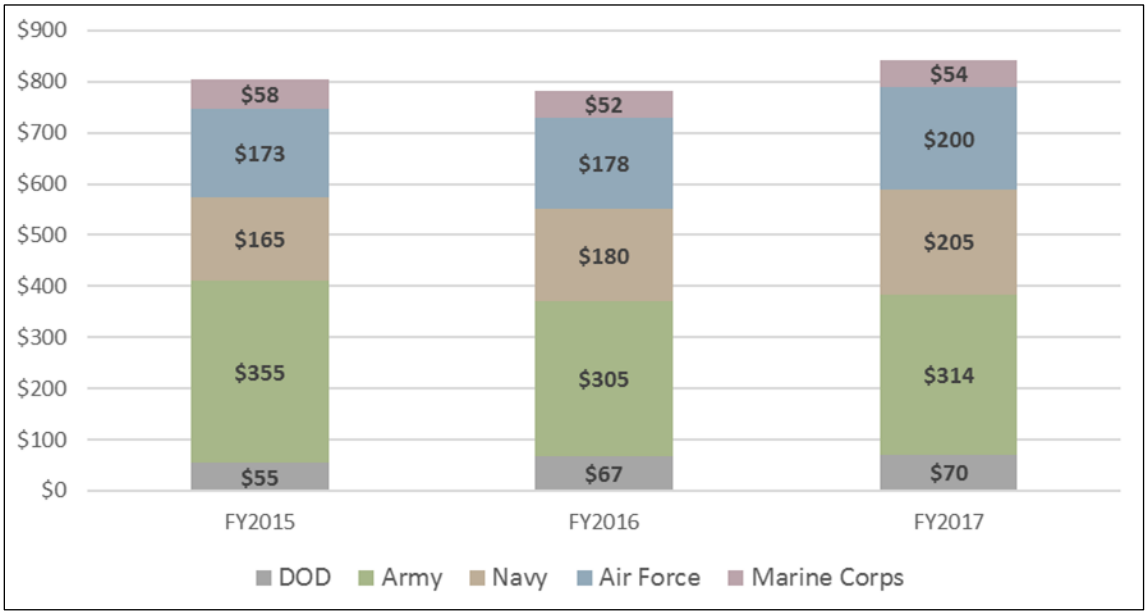
[29] *The Tenth Quadrennial Review of Military Compensation*, Volume II, Deferred and Noncash Compensation, July 2008, p. 88, http://militarypay.defense.gov/Portals/3/Documents/Reports/10th_QRMC_2008_Vol_II.pdf.

other operational funds come from Operation and Maintenance (O&M) and Morale, Welfare, and Recreation (MWR) accounts. Across the services and DOD, approximately $843 million in FY2017 appropriated O&M funds went to CDPs (see **Figure 4**), $17 million of which were designated as Overseas Contingency Operations (OCO) funds for "Emergency Child Care Support". DOD reports that OCO funds are used, in part, to provide emergency and respite childcare services for servicemembers (Active, Guard and Reserve) to enable families to manage lengthy separations and, in some cases, extensions to deployments.[30]

MILCON funding for the construction or modification of CDC facilities varies from year to year depending on need. FCCs that are operated in military family housing are essentially subsidized by appropriated funds to the extent that funding goes towards construction and maintenance of such housing. However, the number of FCCs typically varies from year to year and therefore CRS cannot determine the percentage of military housing funds that support childcare services.

Figure 4. DOD Child Development Program Appropriations

FY2015-FY2017 in millions of dollars



Source: DOD Comptroller, Budget Documentation, FY2015 – FY2017 and information provided to CRS by military services.

Notes: Costs include Operations and Maintenance funds for Child Development Centers, School Age Care, Child Development Homes/FCCs and Youth Program. This chart does not include MILCON funding. DOD funding includes OCO.

Appropriated Funds and Non-Appropriated Funds

CDCs are funded by a combination of appropriated and non-appropriated funds (APF and NAF).[31] Statute also allows appropriated funds to be used to subsidize FCCs at costs comparable

[30] Department of Defense, *Budget Amendment to the Fiscal Year 2018 President's Budget Request for BASE + Emergency + Overseas Contingency Operations (OCO)*, November 2017. http://comptroller.defense.gov/Portals/45/Documents/defbudget/FY2018/budget_justification/pdfs/01_Operation_and_Maintenance/O_M_VOL_1_PART_2/Volume_I_Part_2.pdf

[31] CDCs are considered a MWR *Category B* program which means they are funded with a mix of appropriated and non-

to those at the CDCs, with the parental fees paid directly to the FCC provider.[32] By statute the amount of APF used to operate CDC cannot be less than the estimated amount of childcare fee receipts.[33] Appropriated funds are used to pay for operation and maintenance of childcare centers while NAF are used to pay mainly for staff salaries

Non-appropriated funds for the CDCs come from the parent fees discussed below and are sometimes subsidized by other fee-generating MWR activities (e.g., military exchange store revenues). The installation commander typically has the discretion to direct additional MWR-generated revenues towards childcare services or other installation activities and services. Using these funds could help augment the quality of childcare services or provide additional resources to the centers' resources. However, over-reliance on MWR subsidies to support childcare operations could be problematic, since those revenue streams are less reliable and are more subject to economic downturns. Also, use of too much MWR revenue for family-related benefits may raise concern about inequity for servicemembers who do not require childcare services and might prefer subsidies for other MWR activities (e.g., clubs, golf courses).[34] Finally, due to the decentralized nature MWR funds distribution, there is less accountability for how funds are spent and whether spending is effective in achieving program goals.

Table 3. Appropriated Funds (APF) and Non-Appropriated Funds (NAF) for Child Development Programs

By Military Service

Service		FY2015	FY2016	FY2017
Army	APF	$355,100,000 (73%)	$304,800,000 (69%)	$313,500,000 (69%)
	NAF	$134,400,000 (27%)	$139,000,000 (31%)	$141,900,000 (31%)
Navy	APF	$164,900,000 (58%)	$179,700,000 (58%)	$205,300,000 (67%)
	NAF	$120,100,000 (42%)	$127,600,000 (42%)	$98,500,000 (32%)
Air Force	APF	$172,600,000 (55%)	$178,000,000 (55%)	$199,800,000 (57%)
	NAF	$143,800,000 (45%)	$147,900,000 (45%)	$150,200,000 (43%)
Marine Corps	APF	$58,146,081 (70%)	$52,327,616 (64%)	$54,015,841(63%)
	NAF	$24,460,050 (30%)	$30,026,156 (36%)	$31,459,103 (37%)

Source: Information provided to CRS by the Military Services. APF totals include Child Development Centers, School Age Care, Child Development Homes/FCCs and Youth Programs.

appropriated funds. A *Category A* MWR program is 100% supported by APF. *Category C* programs are those that are expected to be self-sustaining with NAF. *Category B* programs, "should receive substantial amounts of APF support but differ from those in Category A in part because of their ability to generate NAF revenues. That ability is limited, however, and in no case could they be sustained without substantial APF support." See Department of Defense, *Military Morale, Welfare, and Recreation (MWR) Programs,* DODI 1015.10, (2009), 5 (2001).

[32] 10 U.S.C. §1796.

[33] 10 U.S.C. §1791. Child care fee receipts are those that are derived from fees paid for child care services by patrons of military CDCs.

[34] U.S. Government Accountability Office, *Morale, Welfare, and Recreation: Declining Funds Require DOD to Take Action*, NSAID-94-120, February 1994, https://www.gao.gov/assets/220/219276.pdf.https://www.gao.gov/assets/220/219276.pdf.

Military childcare programs generate approximately $400 million in non-appropriated funds annually through parent-usage fees.[35] Statute requires the Secretary of Defense to establish CDC fees and these are adjusted annually to reflect cost of living increases.[36] Statute also authorizes the Secretary of Defense to use appropriated funds to subsidize family home day care providers at rates comparable to those at the CDCs.[37] DOD's guidance specifies that "childcare is not an entitlement" and that each family is required to pay their share of the cost of childcare. The amount that each family pays is on a sliding scale based on *total family income*.[38] In the lowest income category, at 2017-2018 rates (including market adjustments), a family might pay as little as $222 per month per child and in the highest category would pay a maximum of $944 per month per child (See **Table 4**). The services have some discretion to offer fee reductions, for example, for families with multiple children, injured or deployed servicemembers, or those experiencing financial hardship.[39]

Table 4. Military Full-Time Childcare Fees by Income Category

School Year 2017-2018

Category	Total Family Income	Monthly fee per child (standard)	Optional market adjustment (low)	Optional market adjustment (high)
I	$0 - $31,794	$256	$222	$312
II	$31,795 - $37,604	$322	$200	$380
III	$38,605 - $49,959	$400	$254	$462
IV	$49,960 - $62,448	$464	$302	$530
V	$62,449 - $79,482	$534	$344	$608
VI	$79,483 - $91,918	$582	$376	$656
VII	$91,919 - $108,138	$600	$388	$676
VIII	$108,139 - $135,220	$620	$404	$698
IX	$135,221+	$642	$418	$720
IX* Contractor	$135,221+	$904	$632	$944

Source: CDC monthly fee charts, at https://aberdeen.armymwr.com/application/files/9315/1845/9808/SACFees17-18.pdf.

Notes: *This is the rate for all contractor employees. Optional market adjustment fees give centers the option to set rates slightly above or below the DOD established rates. Rates are for full-time care; where part-time care is offered, rates may vary.

[35] Data provided by the military services.

[36] 10 U.S.C. §1793.

[37] 10 U.S.C. §1796.

[38] Total family income includes all earned income including wages, salaries, tips, special duty pay (flight pay, active duty demo pay, sea pay), and active duty save pay, assignment incentive pay, long term disability benefits, voluntary salary deferrals, retirement or other pension income, including SSI paid to the spouse, and VA benefits paid to the surviving spouse before deductions for taxes, quarters allowances, and subsistence allowances, and other allowances (i.e., basic allowance for housing) appropriate for the rank and status of military or DOD civilian personnel, whether received in cash or in kind.

[39] U.S. Government Accountability Office, *Military Child Care: DOD Is Taking Actions to Address Awareness and Availability Barriers*, GAO-12-21, February 2012, https://www.gao.gov/assets/590/588188.pdf.https://www.gao.gov/assets/590/588188.pdf, p. 10.

The U.S. Department of Health and Human Services has established a benchmark for *affordable* childcare at 7% of family income for low-income families.[40] To put the military childcare fees in context, the average basic pay and allowances for an E-5 is $57,661 annually, using the 2017 enlisted pay scale.[41] This pay rate would place the E-5 (with no spousal or other source of income) in income category IV. Therefore, an E-5 would be paying approximately 9.7% of his or her income for childcare fees for one child under the standard fee structure. A mid-level officer, O-4, would have average pay and allowances of $118,080 annually and would be eligible for income category VIII. This servicemember (with no spousal or other source of income) would be paying approximately 6% of his or her income in childcare fees for one child.[42]

Military childcare fees are generally lower than fees for civilian center-based care (see **Table 5**). The U.S. Census Bureau has reported that out-of-pocket childcare costs have risen over the past three decades, nearly doubling between 1985 and 2011.[43] The cost of civilian childcare varies widely depending on the age of the child, quality of care, and the geographic location. A 2017 study of childcare costs across the nation found that the *average* annual care cost for center-based childcare for one infant in a high-cost state like California is $23,077, and $12,393 for a lower-cost state like South Carolina.[44] DOD centers do not have variable fees for infants. Typically, civilian centers offer a flat fee for care, rather than a sliding income scale. However, low-income families may be eligible for supplemental state or federal childcare assistance.[45]

Table 5. Average Annual Childcare Fees

United States, 2017

	National Average Center-Based	National Average Family Care Center	Military Childcare Fees (do not vary based on child's age)
Infants	$10,764	$8,790	
Toddlers	$8,517	$7,222	Category I: $2,664 - $3,744
4-year-olds	$8,488	$8,020	Category IX: $5,016 - $8,664
Average	**$9,256**	**$8,011**	

Source: Child Care Aware of America, *Parents and The High Cost of Child Care*, 2017 Report, 2017, p. 10 and an annual average for military childcare fees calculated using CDC monthly fee charts, at https://aberdeen.armymwr.com/application/files/9315/1845/9808/SACFees17-18.pdf.

Notes: Costs of care presented in the report prepared by the Child Care Aware of America are based on survey data collected from the Child Care Resource & Referral (CCR&R) State Network offices and local CCR&Rs. Child Care Aware of America calculated the national averages shown above using an "average of

[40] Department of Health and Human Services, "Child Care and Development Fund (CCDF) Program," 45 *Federal Register* -67440-67515, September 30, 2016.

[41] E-5s are called Sergeants in the Army and Marine Corps; in the Navy they are Petty Officers Second Class, and in the Air Force they are Staff Sergeants.

[42] An O-4 is a Lieutenant Commander in the Navy or a Major in the Army, Air Force, and Marine Corps. For more on basic pay and allowances see CRS In Focus IF10532, *Defense Primer: Regular Military Compensation*, by Lawrence Kapp.

[43] Lynda L. Laughlin, *Census Bureau Statistics Allow for Deeper Dive Into Rising Costs of Child Care*, United States Census Bureau, December 21, 2015, https://www.census.gov/newsroom/blogs/research-matters/2015/12/census-bureau-statistics-allow-for-deeper-dive-into-rising-costs-of-child-care.html.

[44] Child care Aware of America, *Parents and The High Cost of Child Care*, 2017 Report, 2017, http://usa.childcareaware.org/wp-content/uploads/2017/12/2017_CCA_High_Cost_Report_FINAL.pdf.

[45] For more information about federal child care aid see, CRS Report RL30785, *The Child Care and Development Block Grant: Background and Funding*, by Karen E. Lynch.

space-weighted averages" (i.e., costs across states were weighted and compiled to produce an overall average based on the approximate number of spaces by age group and program type). Estimated annual fees for military childcare were calculated based on an assumption that the care was provided for a full 12 months and are calculated using the categories in the CDC fee chart in **Table 4**.

Quality Assurance and Oversight

Childcare decisions can be complex and military parents or guardians often have to make care choices under time constraints while transferring to a new duty station. They may have limited information about provider options and quality of care at the new locale. DOD's regulations for military childcare centers generally have stricter operational, safety, and performance standards than many civilian centers and have been ranked highest among all states in national assessments.[46] DOD uses accreditation and certification rates as its primary metric for monitoring childcare program quality (see **Table 6**). Because attaining accreditation and maintaining quality standards can be expensive high-quality civilian childcare centers may be out of reach for some military servicemembers, particularly for junior enlisted members; in the absence of DOD-subsidized options, these military families may rely on an informal or unregulated system of childcare.

Table 6. Quality Goals and Metrics for DOD Child Development Programs

FY2015

Outcome	Metric	Goal	Actual
Provide high quality childcare	Accreditation Rate	98%	97%
	Certification Rate	100%	100%

Source: Department of Defense, *Annual Report to the Congressional Defense Committees on the Department of Defense Policy and Plans for Military Family Readiness: Fiscal Year 2016*.

Accreditation

Accreditation is one mechanism used to achieve quality assurance for childcare. National childcare accreditation organizations evaluate providers on standards related to, for example, curriculum, teaching, health, staff competencies, leadership and management, physical environment, and relationships between teachers, children, parents, and communities.[47] Costs for initial accreditation and maintenance of accreditation typically vary by the number of children and accreditation is often awarded for a five-year term.[48] The accreditation can serve two key purposes. First, the process of becoming accredited and accreditation renewal requires an organization to self-assess and can be a mechanism for improved operations and staff development. Second, accreditation can serve as a signaling mechanism to parents who typically do not have the information to individually assess the level of childcare center quality. Critics of accreditation have argued that the requirements impose unnecessary time and resource burdens on

[46] Child Care Aware of America, Scores and Ranking for Program and Oversight Benchmarks Combined, at https://usa.child careaware.org/wp-content/uploads/2015/10/wecandobetter_20rankings2020041013.pdf

[47] See NAEYC Early Learning Program Standards at https://www.naeyc.org/sites/default/files/globally-shared/downloads/PDFs/accreditation/early-learning/OverviewStandards_0.pdf.

[48] Most DOD centers are accredited by the National Association for the Education of Young Children (NAEYC). Listed set-up fees as of January 2018 for NAEYC accreditation ranged from about $1,600 - $2,700 with annual maintenance fees of about $550 to $885. See https://www.naeyc.org/accreditation/early-learning/fees.

childcare staff. However, others have noted that accreditation can improve staff morale and pride in their work.[49]

Congress first required accreditation of CDCs as a demonstration program in 1991. By 1994, a report on the impact of accreditation found that it improved quality of care for both low-quality and high-quality centers at minimal incremental cost.[50] The National Defense Authorization Act for Fiscal Year 1996 required all eligible military centers meet standards necessary for accreditation.[51] By 1998, all of the military departments had implemented universal accreditation for their CDCs.[52] As of 2015, DOD reported that 97% of its CDCs were nationally accredited, just shy of its goal of 98% accreditation. In comparison, the civilian rate of accreditation is estimated to be between 8% and 10%.[53] DOD FCCs are not required by law to be accredited; however, DOD policy encourages providers to seek national accreditation.[54]

Certification

CDC and SAC facilities are required to meet certain minimum operational standards to receive a DOD Certificate to Operate.[55] These include DOD's Unified Facilities Criteria (UFC) as well as Occupational Safety and Health Administration (OSHA) standards.[56] By law, CDCs are subject to unannounced inspections a minimum of four times per year.[57] One of these inspections must be carried out by an installation representative and one must be carried out by a representative of the major command under which the facility operates. The law also states that,

> (1) Except as provided in paragraph (2), any violation of a safety, health, or child welfare law or regulation (discovered at an inspection or otherwise) at a military child development center shall be remedied immediately.
>
> (2) In the case of a violation that is not life threatening, the commander of the major command under which the installation concerned operates may waive the requirement that the violation be remedied immediately for a period of up to 90 days beginning on the date of the discovery of the violation. If the violation is not remedied as of the end of that 90-day period, the military child development center shall be closed until the violation is remedied. The Secretary of the military department concerned may waive the preceding

[49] Gail L. Zellman, Anne Johansen, and Jeannette Van Winkle, *Examining the Effects of Accreditation on Military Child Development Center Operations and Outcomes*, RAND Corporation, Santa Monica, CA, 1994, https://www.rand.org/pubs/monograph_reports/MR524.html.

[50] Ibid.

[51] P.L. 104-106 §1797. The law did not require all centers to be accredited, only that they meet the "standards of operations necessary for accreditation by an appropriate national early childhood program accrediting body."

[52] Gail Zellman et al., *Understanding the Findings From an Evaluation of the Parent Institute for Quality Education Parent Involvement Program*, RAND Corporation, Santa Monica, CA, 1998, https://www.rand.org/pubs/monograph_reports/MR870.html.

[53] DACOWITS, March 2015. Department of Defense, *Annual Report to the Congressional Defense Committees on the Department of Defense Policy and Plans for Military Family Readiness: Fiscal Year 2016*. At the time of publication, the FY2016 report is the most current report available.

[54] Accrediting bodies include the National Association for the Education of Young Children (NAEYC) and National Early Childhood Program Accreditation (NECPA).

[55] Department of Defense, "Child Development Programs," DODI 6060.02, August 5, 2014, p. 29.

[56] DOD's UFC program specifies technical criteria and standards pertaining to planning, design, construction, and operation and maintenance of real property facilities. The UFC program is administered by the United States Army Corps of Engineers (HQUSACE), Naval Facilities Engineering Command (NAVFAC), and the Air Force Civil Engineer Center (AFCEC). See DOD Directive 4270.5 (Military Construction).

[57] 10 U.S.C §1794.

> sentence and authorize the center to remain open in a case in which the violation cannot reasonably be remedied within that 90-day period or in which major facility reconstruction is required.[58]

FCC homes must meet the same standards as CDCs and are subject to inspections by FCC staff, as well as requirements to meet Fire, Safety, USDA Food Program, and Public Health Program requirements. DOD reported that it met its 100% certification rate goal for FY2015.[59]

Staff Qualifications and Background Checks

Childcare employees are required by statute to meet certain training requirements that include at least the following.

- Early childhood development.
- Activities and disciplinary techniques appropriate to children of different ages.
- Child abuse prevention and detection.
- Cardiopulmonary resuscitation and other emergency medical procedures.[60]

At least one employee at each CDC is required to be a specialist in training and curriculum development. Finally, to ensure the ability to recruit "a qualified and stable civilian workforce," the law requires that CDC employees are paid at rates of pay that are competitive or substantially equivalent to rates of pay for other employees at the respective installation. Besides competitive salaries, CDC employees are eligible to receive other federal employee benefits (e.g., medical, dental, and retirement benefits), as well as access to some of the amenities on military installations (e.g., fitness centers and recreation activities). FCC providers receive training, resources, and support through the CDC program but operate as independent contractors.

DOD regulations require that background checks be conducted on all individuals who regularly interact with children and youth.[61] This includes CDC employees and FCC operators. In FCC homes all residents over the age of 12 are subject to background checks. Following a highly publicized incident at a CDC in Fort Myer, VA in 2012 where two daycare workers were charged with assault, DOD took action to review and strengthen background check procedures.[62] DOD's new policy, effective in 2015, requires DOD components to ensure that background checks have been completed and to address delays in results in a manner that does not presume a favorable background check.[63]

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[58] 10 U.S.C §1794 (f).

[59] Department of Defense, *Annual Report to the Congressional Defense Committees on the Department of Defense Policy and Plans for Military Family Readiness: Fiscal Year 2016*. At the time of publication, the FY2016 report is the most current report available.

[60] 10 U.S.C. §1792.

[61] Department of Defense, DODI 1402.05, "Background Checks on Individuals in DOD Child Care Services Programs," Incorporating Change 1, Effective July 14, 2016.

[62] The Army-led investigation found that 31 of the 130 Fort Myer CDC employees had criminal records on charges ranging from assault to sexual offenses. Amy Bushatz and Richard Sisk, "31 at Base Daycare Center Had Criminal Records," *Military.com*, December 2012, https://www.military.com/daily-news/2012/12/20/31-at-base-daycare-center-had-criminal-records.html.

[63] Department of Defense, DODI 1402.05, "Background Checks on Individuals in DOD Child Care Services Programs," Incorporating Change 1, Effective July 14, 2016, p. 12. Karen Jowers, "DOD Tightens Child Care Background Checks," *Military Times*, November 20, 2014, https://www.militarytimes.com/2014/11/20/dod-tightens-child-care-background-checks/.

Parent Boards

Another statutory element of oversight is the requirement that each CDC establish a board of parents of the children attending the center.[64] The board is charged with meeting periodically with the staff and coordinating parent participation programs.

Legislative and Policy Background

The federal government first took a significant role in childcare during the Great Depression when it set up day care centers to provide jobs for women through the Works Progress Administration.[65] In 1941, in response to the need for women to work outside the home while the men were away at war, the government passed the Lanham Act of 1940.[66] The act provided grant funding to communities based on demonstrated need, for care for children ages 0-12. Funds were used for the construction of childcare facilities, teacher training and pay, and meal services.[67] Over 550,000 children nation-wide are estimated to have received care from Lanham Act programs.[68] By 1946, the funds were withdrawn with the expectation that most women would return to childcare duties within the home following the end of the war.

In the U.S. military, demand for childcare was low throughout much of the early 20th century. This was due to the demographic composition of the force and prevailing social norms. In the 1950s approximately 70% of servicemembers in the Army were single males.[69] Today over 50% of the total active duty force is married and females account for approximately 16% of the force. In the 1950s and 1960s, non-working spouses mainly provided care for children of military servicemembers at home. During this era, if childcare was needed outside the home, relatives, private groups, parents' cooperatives, or wives' clubs provided it. Some of these wives' clubs also sponsored part-day preschools that provided education and development programs for toddlers aged 3-5 years old.[70] This childcare system was loosely structured and had few regulations.

Between 1970 and 1980 a number of developments increased demand for military childcare services. With the advent of the all-volunteer force in 1973, new recruits increasingly included women and career-oriented personnel with dependents. Between 1973 and 1978 the proportion of women in the military climbed from 2.5% to over 6% and the number of dual military marriages increased. In 1975, DOD directed the services to discontinue involuntary discharges for pregnant or custodial mothers, in favor of a voluntary separation policy.[71] Meanwhile, between 1970 and

[64] 10 U.S.C. §1795.

[65] Elizabeth Palley and Corey S. Shdaimah, *In Our Hands: The Struggle for U.S Child Care Policy* (New York, NY: New York University Press, 2014), p. 44.

[66] P.L. 79-489.

[67] Chris M. Herbst, "Universal Child Care, Maternal Employment, and Children's Long-Run Outcomes: Evidence from the U.S. Lanham Act of 1940 ," *IZA*, no. 7846 (December 2013).

[68] Day care centers were administered in every state except New Mexico. Rhiana Cohen, "Who Took Care of Rosie the Riveter's Kids?," *The Atlantic*, November 18, 2015.

[69] U.S. Congress, Senate Committee on Armed Services, *Part 8 Manpower and Personnel*, Hearing on S. 1085 Authorizing Appropriations for Fiscal Years 1990 and 1991, 101st Cong., 1st sess., May 11, 1989, p. 49.

[70] U.S. Congress, House Committee on Armed Services, Subcommittee on Military Personnel and Compensation, *Statement of the Deputy Assistant Secretary of Defense for Military Manpower and Personnel Policy*, Hearing before the Military Personnel and Compensation Subcommittee Concerning Department of Defense Child Care Programs, 100th Cong., June 16, 1988.

[71] Betty J. Morden, *The Women's Army Corps: 1945-1978* (Washington, DC: GPO, 2000), pp. 303-308.

1980 the proportion of women participating in the U.S. labor force jumped from 40% to 50%[72], and civilian employer-sponsored childcare initiatives began to gain popularity.[73] An increase in civilian spouses of military members working outside the home meant both an increased demand for childcare services and fewer participants in the informal caregiver support networks that had been providing these services.

Around the same time the quality of childcare services on DOD installations came under scrutiny. In 1976, a nation-wide survey of military centers operating as non-appropriated fund programs, found that there was a wide variance in the services and standards of military facilities relative to civilian facilities.[74] The study also noted a lack of specialized training for teachers and aides. It wasn't until 1978 that DOD issued a directive formalizing government responsibility for installation childcare centers as part of the military's morale, welfare, and recreation (MWR) program.[75] This directive held the individual services responsible for developing their own policies and standards and allowed installations to establish their own operating procedures.

Congress first appropriated funds for the construction of new childcare facilities in the Department of Defense Appropriation Act for Fiscal Year 1982.[76] During that year GAO reported that the majority of existing childcare facilities needed enhancements to meet fire, safety, and sanitation standards and to accommodate demand for services.[77] (See **Table 7** for the total number of facilities and children served in 1982.) Some of the deficiencies noted in the centers were lack of emergency evacuation access, lead-based paint peeling from the walls, and leaking roofs. The GAO also noted that user fees and other existing revenue streams might not be sufficient for the military services to conduct necessary upgrades. Finally, the report recommended that DOD establish department-wide minimum standards for total group size, caregiver-to-child-ratios, educational activities, staff training, and food services.

Table 7. Military Childcare Facilities and Children Served in 1982

Service Branch	Number of Facilities	Estimated Number of Children Served[a]
Army	318	23,000
Navy	73	11,000
Marine Corps	23	3,000
Air Force	162	16,000[b]
Total	**576**	**53,000**

Source: U.S. Government Accountability Office, *Military Child Care Programs: Progress Made, More Needed*, FPCD-82-30, June 1, 1982, p. 2.

[72] Census Bureau data on labor force participation rates for women 16 years of age and older.

[73] U.S. Government Accountability Office, *Child Care Employer Assistance for Private Sector and Federal Employees*, B-220258, February 1986, p. 15, http://www.gao.gov/assets/210/208156.pdf., p. 15.

[74] Barbara Wheatland, "Community Services, the Military Family, and Child Development," in *Children of Military Families, A Part and Yet Apart*, ed. Edna J. Hunter and D. Stephen Nice (Washington, D.C.: Government Printing Office, 1978), p. 53.

[75] Department of Defense Directive 1330.2, March 7, 1978.

[76] P.L. 97-114.

[77] U.S. Government Accountability Office, *Military Child Care Programs: Progress Made, More Needed*, GAO/FPCD-82-30, June 1, 1982, p. i.

a. The Army reports *daily capacity* while the other services report the number of children *served or accommodated* in facilities.

b. The Air Force reported an additional 9,000 children in part-day developmental programs that are not included in the above figure.

Military Family Act of 1985

In 1985 Congress passed the Military Family Act establishing an Office of Family Policy within the Office of the Secretary of Defense.[78] The office was designed to coordinate all DOD programs and activities relating to military families. The specified duties of the office were to

- coordinate programs and activities of the military departments to the extent that they relate to military families; and
- make recommendations to the Secretaries of the military departments with respect to programs and policies regarding military families.[79]

The act also established the authority of the Secretary of Defense to survey military family members on the effectiveness of existing federal military family support programs. In 1988, the Office of Family policy was instrumental in formulating the Defense Department's Instruction for Family Policy. The Instruction laid the groundwork for implementing the current military childcare programs.

Military Child Care Act of 1989

In the late 1980s, military childcare services came under intense scrutiny after allegations of child abuse at a number of military installations emerged. Widespread publicity of allegations, particularly those involving Army CDCs at the United States Military Academy in West Point New York, and the Presidio Army Base in San Francisco, California, led DOD to establish a special investigative team in 1987.[80] Many felt that the military was not doing enough to address the allegations, and a congressional inquiry was launched in 1988 with a series of hearings and testimony by military officials, childcare specialists, legal experts, and military parents.

In the hearings, issues were raised about the staff-to-child ratios, the lack of employee background investigations, and inadequate procedures for deterring, preventing, identifying and responding to child abuse. Some of the other issues that were raised were the exemption of on-base childcare centers from federal and state licensing standards and other jurisdictional issues, lack of quality programming within the centers, and low wages for childcare employees. Some suggested that the reliance on non-appropriated funds limited the centers ability to attract and retain quality personnel and to make necessary repairs and upgrades to facilities and equipment. Other concerns were the lack of capacity to meet demand and unsuitable civilian alternatives at certain military installations.[81]

[78] P.L. 99-145.

[79] P.L. 99-145§802.

[80] Linda Goldston, "Army of the Night," *San Jose Mercury*, July 24, 1988.

[81] Concerns that were noted with regards to civilian services included, overseas installations that lacked English-speaking child care options, the high-cost of child care in domestic urban settings, the unavailability of high-quality services in rural settings, and little or no availability of infant care across most locations.

In 1989, Congress passed the Military Child Care Act (MCCA) as part of the National Defense Authorization Act for 1990 and 1991.[82] The goals of the MCCA were to improve the quality, safety, availability, and affordability of military childcare. To achieve these goals the law called for standardizing requirements for health and safety inspections and training requirements. It also included provisions for increasing salaries of caregivers, parental participation, and DOD oversight.[83] To improve affordability, Congress authorized the use of appropriated funds to subsidize family home day care providers and required a subsidized CDC fee structure that was based on family income.

To improve employee quality, the law required that at least one employee at each CDC be credentialed as a specialist in training and curriculum development and that all employees undergo mandatory training within six months of employment on four topics. Another quality initiative in the MCCA was a provision requiring accreditation of at least 50 military childcare development centers (CDCs) by June 1, 1991, as a demonstration program. These 50 centers were intended to then serve as "model" centers for other CDCs and FCCs.[84]

In response to concerns about child abuse, the act required the establishment of a national hotline to report suspected child abuse or safety violations. It also directed DOD to establish regulations compelling installation commanders to coordinate with local child protective authorities in cases of child abuse allegations. Finally, the act required DOD to establish a child abuse task force to respond to abuse allegations and to assist parents and installation commanders in dealing with allegations. Section 658 of the National Defense Authorization Act for Fiscal Year 1996 amended and codified the Military Family Act and MCCA under Chapter 88 of title 10, United States Code, "Military Family Programs and Military Child Care."[85]

1999: Authorization of Childcare Fee Assistance Program

As part of the FY2000 NDAA, Congress, for the first time, authorized DOD to subsidize civilian childcare programs outside of military installations.[86] To receive subsidies, these programs are required to comply with DOD regulations, standards and policies. Provider eligibility determinations are based on factors such as frequency of inspections, employee qualifications, and center accreditation.[87] The Senate Committee report to accompany the bill noted,

> The committee believes that the recommended financial assistance is necessary to supplement and expand essential quality of life services for children of military personnel and eligible federal employees at an affordable cost.[88]

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[82] P.L. 101-189, Title XV, 103 Stat. 1361, November 29, 1989.

[83] The legislation specified that these unannounced inspections should occur no less than four times per year.

[84] Although the MCCA focused mainly on changes for the CDCs, DOD applied similar quality control measures to the FCCs. Gail L. Zellman and Anne S. Johansen, Examining the Implementation and Outcomes of the Military Child Care Act of 1989, RAND Corporation, Santa Monica, CA, 1998, p. xxii, https://www.rand.org/pubs/monograph_reports/MR665.html.

[85] P.L. 104-106 §568.

[86] P.L. 106-65 §584. This legislation was followed by the Treasury and General Government Appropriations Act of 2000 (P.L. 106-58) which provided the authority for other executive agencies to use appropriated funds to subsidize child care for federal civilian employees.

[87] For more on accreditation, see http://usa.child careaware.org/fee-assistancerespite/military-families/army/#howfeeassist.

[88] U.S. Congress, Senate Committee on Armed Services, *National Defense Authorization Act for Fiscal Year 2000*, committee print, 106th Cong., 1st sess., May 17, 1999 (Washington: GPO, 1999).

The statute authorizes DOD to use Operation and Maintenance (O&M) funds for financial assistance under this program.[89] The program provides a subsidy in the amount of the difference between what an eligible servicemember would pay for installation-based care (in CDCs) and the community-based care provider's rate up to a certain cap. Fee assistance subsidy services are administered by Childcare Aware of America, a national nonprofit organization.[90] In 2016, this organization reported that it provided childcare subsidies to more than 15,000 military families, while processing more than $52.4 million in payments.[91]

Providers Eligible to Receive Fee Assistance

Under **10 U.S.C. §1798**, providers of child care or youth programs are eligible for financial assistance from DOD if the provider:

"(1) is licensed to provide those services under applicable State and local law;
(2) has previously provided such services for members of the armed forces or employees of the United States; and
(3) either—
(A) is a family home day care provider; or
B) is a provider of family child care services that—
i) otherwise provides federally funded or sponsored child development services;
(ii) provides the services in a child development center owned and operated by a private, not-for-profit organization;
(iii) provides before-school or after-school child care program in a public school facility;
(iv) conducts an otherwise federally funded or federally sponsored school age child care or youth services program;
(v) conducts a school age child care or youth services program that is owned and operated by a not-for-profit organization; or
(vi) is a provider of another category of child care services or youth services determined by the Secretary of Defense as appropriate for meeting the needs of members of the armed forces or employees of the Department of Defense."

2005: Tenth Quadrennial Review of Military Compensation (QRMC)

Section 1008(b) of Title 37, United States Code requires the President to conduct a review of the military compensation system every four years. The 10th QMRC, which was released in September 2008 had a specific mandate to address military quality of life programs.[92] The authors of the report raised concerns that DOD was not managing the childcare program as an element of a comprehensive compensation package. They noted that services were only available to a fraction of the force, wait list policies did not give priority based on highest need, and centers had limited hours. The authors question whether the investment in childcare (estimated to be $530 million at the time) had any impact on DOD's force management goals, noting that servicemembers "significantly underestimate the program's value," and it was unclear whether the program had a "significant or cost-effective impact on … recruitment, retention, or readiness."[93] Given these concerns the QRMC made three recommendations intended to improve equity, efficiency, and access to the childcare benefit.

[89] 10 U.S.C. §1798(c).

[90] The General Services Administration (GSA) operated the Army's fee assistance program until transition in 2016.

[91] Child care Aware of America, 2016 Annual Report. http://annualreport.usa.child careaware.org/financials/.

[92] Department of Defense, *The Tenth Quadrennial Review of Military Compensation*, Washington, D.C., September 2008, http://militarypay.defense.gov/Portals/3/Documents/Reports/10th_QRMC_2008_Executive_Summary.pdf. The 11th QRMC did not specifically address childcare programs.

[93] Ibid., p. 40.

(1) The Services should prioritize allocation of child care slots based on force management needs, with priority to families of deployed soldiers in wartime and to servicemembers in critical/high demand occupations in peacetime.

(2) DOD should implement a pilot voucher program to help servicemembers pay for child care costs.

(3) DOD should increase its investment in family child care.

In particular, the authors argued that a cash voucher system would offer a more tangible benefit for military families. DOD policies currently specify priority levels; however, DOD has not adopted the recommendation that priority be given to deployed soldiers or critical/high demand occupation.

2011: Congressional and Executive Oversight Initiatives

Congress included a provision in the FY2011 NDAA requiring DOD to submit biennial reports to the Armed Services Committees with information on CDCs and financial assistance for childcare (see box below for required elements).[94]

Elements Required in Biennial Congressional Reports

(1) The number of child development centers currently located on military installations.

(2) The number of dependents of members of the Armed Forces utilizing such child development centers.

(3) The number of dependents of members of the Armed Forces that are unable to utilize such child development centers due to capacity limitations.

(4) The types of financial assistance available for childcare provided by DOD in an off-installation setting to members of the Armed Forces (including eligible members of the reserve components).

(5) The extent to which members of the Armed Forces are utilizing such financial assistance for childcare off-installation.

(6) The methods by which the Department of Defense reaches out to eligible military families to increase awareness of the availability of such financial assistance.

(7) The formulas used to calculate the amount of such financial assistance provided to members of the Armed Forces.

(8) The funding available for such financial assistance in DOD and in the military departments.

(9) The barriers to access, if any, to such financial assistance faced by members of the Armed Forces, including whether standards and criteria of the DOD for childcare off-installation may affect access to childcare.

(10) Any other matters the Secretary considers appropriate in connection with such report, including with respect to the enhancement of access to Department of Defense childcare development centers and financial assistance for childcare off-installation for members of the Armed Forces.[95]

In January 2011, then-President Barack Obama launched an initiative to support military families.[96] Two of the four strategic priorities under this initiative are related to childcare and child development:

- Ensure excellence in military children's education and their development.
- Increase childcare availability and quality for the Armed Forces.

[94] At the time of publication, only one such report was available by request to DOD. This report was dated July 2011.

[95] P.L. 111-383 §587.

[96] The White House Office of the Press Secretary, "Presidential Initiative Supports Military Families," press release, January 24, 2011, https://www.whitehouse.gov/the-press-office/2011/01/24/presidential-initiative-supports-military-families.

The final report to the President found that the military needed 37,000 more childcare slots to meet demand.[97] To help meet the needs identified in this report, the administration established the Military Family Federal Interagency Collaboration between DOD and the Department of Health and Human Services. This effort focused on

> increasing the availability and quality of child care in 20 states for military families, especially those not living near military bases or lacking easy access to other military supports. The Collaboration has identified and is working toward the strategic goals of improving: (1) access to quality child care by increasing the level of quality; (2) the awareness of quality indicators and their importance for creating and maintaining safe and health environments for children; (3) the communication between various partners and agencies to ensure limited resources are used effectively.[98]

2015: Military Compensation and Retirement Modernization Commission

The National Defense Authorization Act (NDAA) for FY2013 established a Military Compensation and Retirement Modernization Commission (MCRMC) to provide the President and Congress with specific recommendations to modernize pay and benefits for the armed services.[99] In 2015, the Military Compensation and Retirement Commission (MCRMC) submitted its final report. Pertinent recommendations of the report include the following:

- Establish standardized reporting of childcare wait times.
- Exempt childcare personnel from future departmental hiring freezes and furloughs.
- Support current DOD efforts to streamline CDP position descriptions and background checks.
- Reestablish authority to use operating funds for minor construction projects when building, expanding, or modifying CDP facilities.

One of the Commission's recommendations was to improve access to childcare on military installations by ensuring DOD has the information and budgeting tools to provide childcare within 90 days of need. Section 564 of the Senate version of the FY2016 NDAA would have required a biennial survey of military families to include, "adequacy and availability of childcare for dependents of members of the Armed Forces." The House bill did not include a similar provision and this requirement was not adopted.

MILCON Funding and CDP Facilities

The National Defense Authorization Act for Fiscal Year 2006 (P.L. 109-163 §2810) authorized use of O&M funds for minor military construction for the purpose of constructing CDCs. The services used this authority to add over 9,000 childcare spaces through additions and renovations

[97] http://futureofchildren.org/publications/docs/Chapter%204.pdf, p. 82.

[98] Department of Health and Human Services and the Department of Education, *Joint Interdepartmental Review of All Early Learning Programs for Children Less Than 6 Years of Age*, 2017, https://www2.ed.gov/about/inits/ed/earlylearning/files/gao-report-joint-interdeprtmental-review-2017.pdf.

[99] In a memorandum for the Secretary of Defense, dated January 9, 2015, then President Barack Obama, stated, "I have determined the MCRMC also satisfies the requirements of section 1008(b) of title 37 and that a separate Twelfth Quadrennial Review of Military Compensation is not required." See https://militarypay.defense.gov/Portals/3/Documents/Reports/Presidential%20Memo%20-%2012th%20QRMC.pdf?ver=2018-06-19-223010-557.

to existing facilities.[100] The original authority was set to expire in 2007, but was extended thru 2009, in the FY2008 NDAA (P.L. 110-181 §2809), when it lapsed. The MCRMC recommended reauthorization of this provision which allows the Secretary concerned to spend up to $7.5 million from appropriations available for O&M on a minor military construction project that creates, expands, or modifies a CDC. The MCRMC also proposed an amendment to 10 U.S.C. §2805 that would raise the statutory threshold for a minor military construction project to $15 million for CDC-related construction projects.[101] These provisions have not been adopted.

Recent Initiatives: CDC Hours of Operation and Hiring Authorities

On January 28, 2016, then-Secretary of Defense Ashton Carter announced enhancements to the military childcare program as part of a broader "Force of the Future" military personnel reform initiative.[102] DOD's proposed changes would extend the hours of military childcare centers from 12 hours to a minimum of 14 hours per day to ensure that hours of operation are consistent with servicemember work hours at various installations.[103] For example, for a normal workday of 7:00 a.m. to 5:00 p.m., the center would be open from 5:00 a.m. to 7:00 p.m. Military servicemembers would be eligible to receive 12 hours of subsidized care and for any time over 12 hours the member would have to pay the full cost of care out of pocket. According to a DOD spokesman, the additional childcare hours were expected to cost DOD $230 million over a five-year period.[104]

Congressional concerns about reductions in military childcare services arose early in 2017 in response to an executive branch hiring freeze executed by the Trump administration. While certain childcare positions received exemptions, implementation of the hiring freeze highlighted some preexisting recruitment and hiring issues for CDC positions. In particular, military officials noted substantial lag times for vetting new employees due to background check requirements.[105]

In the FY2018 NDAA (P.L. 115-91), Congress took action to enhance military childcare programs by modifying hiring authorities for military childcare employees. Section 558 of the bill required Secretary-level consideration of the "demands and circumstances" of the active and reserve component patrons of CDCs when setting and maintaining CDC hours of operation. This legislation also authorized the Secretaries of military departments to provide childcare coordinators at installations with "significant numbers" of military personnel and dependents. Section 559 of the bill provides the Secretary of Defense with direct hire authority to recruit and appoint qualified childcare services providers to positions within DOD CDCs if the Secretary

[100] Senate Armed Services Subcommittee Hearing Military Personnel Posture in Defense Authorization

DACOWITS March 2015

[101] The existing threshold for minor military construction is $3 million for regular projects and $4 million for projects intended to correct a deficiency that is "life-threatening, health-threatening, or safety-threatening."

[102] These initiatives were aimed at "improving the retention of our military servicemembers through enhance family support." Memorandum from Ashton Carter, Secretary of Defense, *Forging Two Links to the Force of the Future*, November 1, 2016, https://www.defense.gov/Portals/1/Documents/pubs/Forging-Two-New-Links-Force-of-the-Future-1-Nov-16.pdf.

[103] Department of Defense, *Fact Sheet: Building the Second Link to the Force of the Future; Strengthening Comprehensive Family Benefits*, https://www.defense.gov/Portals/1/Documents/pubs/Fact_Sheet_Tranche_2_FOTF_FINAL.pdf.

[104] Karen Jowers,"Military Leaders Promise to Extend Child Care Hours, Shorten Wait Lists at Child Development Centers," *Military Times*, February 1, 2016.

[105] U.S. Congress, House Committee on Armed Services, Subcommittee on Readiness, *House Armed Services Subcommittee on Readiness Holds Hearing on the Current State of U.S. Army Readiness*, Hearing Transcript, 115th Cong., 1st sess., March 8, 2017, http://www.cq.com/doc/congressionaltranscripts-5057103?0#speakers.

determines that (1) there is a critical hiring need, and (2) there is a shortage of providers.[106] Section 576 of bill also requires a review of the General Schedule pay grades for DOD childcare services provider positions to ensure that, in the words of the Senate committee report, "the department is offering a fair and competitive wage" for those positions.

Issues for Congress

Potential issues for Congress regarding military childcare services include the following:

- Should DOD provide childcare support?
- What are the pros and cons of different types of childcare support?
- Are there other oversight concerns for DOD's CDP?

These issues are discussed in more detail in the following sections.

Should DOD Provide Childcare Support?

Debates about the provision of publicly-funded childcare programs often arise from philosophical differences regarding the role of government. Those who oppose government support of childcare programs typically express social, fiscal, or equity concerns. Some contend that childcare should be a parental responsibility rather than a social good to be provided by the government.[107] Some believe that it is best for a mother to stay home with her children and that when the government provides economic incentives for work outside the home it expresses a societal preference for out-of-home care.[108] Some carry this argument further and contend that subsidized childcare endorses and incentivizes single-parenthood or unstable family arrangements, which they contend may have negative economic and social consequences.[109] Research from a Canadian effort to introduce universal subsidized childcare in one province found some evidence suggesting that in the short run, children and families experienced some undesirable outcomes, including negative behaviors among children (e.g., hyperactivity, aggressiveness) and reduction in parental relationship quality.[110]

On the other hand, those who advocate for publicly-funded childcare programs often argue that childcare provides societal benefits and should be a community resource in the same manner as schools, libraries, and parks.[111] In 2017, the birthrate in the U.S. was the lowest in 30 years.[112]

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[106] The bill directed the Secretary to prescribe the regulations required and commence implementation of such direct hire authority no later than May 1, 2018.

[107] Andrea L. Campbell, "Has Child Care Policy Finally Come of Age?," *The American Prospect*, May 22, 2015. http://prospect.org/article/has-child-care-policy-finally-come-age

[108] A 2013 Pew survey found that about one-third of Americans believe that it is best for young children if their mothers do not work at all outside the home, 42% say that part-time work for mothers is ideal, and 16% say that a full-time working mother is ideal. Pew Research Center, *Modern Parenthood: Roles of Moms and Dads Converge as They Balance Work and Family*, March 13, 2013, p. 2, http://www.pewsocialtrends.org/files/2013/03/FINAL_modern_parenthood_03-2013.pdf. In Our Hands, p. 54

[109] "Demise of the DACOWITS," *Center for Military Readiness*, April 15, 2002, at https://www.cmrlink.org/issues/full/demise-of-the-dacowits.

[110] Michael Baker et al., "Universal Child care, Maternal Labor Supply and Family Well-Being: Working Paper," *National Bureau of Economic Research*, December 2005.

[111] In Our Hands, p. 76.

[112] Brady Hamilton et al., *Births: Provisional Data for 2017*, Centers for Disease Control and Prevention, Vital Statistics Rapid Release, May 2018, https://www.cdc.gov/nchs/data/vsrr/report004.pdf.

Falling birthrates can have some societal consequences, such as diminished economic growth and increased strain on entitlement programs such as Social Security. Some studies have shown that accessible and affordable childcare helps to improve fertility rates as well as labor-force outcomes for women, who are often the default caregivers, allowing them to pursue a career and earnings outside of the home.[113]

For children, center-based childcare is associated with both positive and negative social and behavioral outcomes relative to those who receive home-based or parental care.[114] Effects are generally small, and depend on factors such as the length of time per day spent in care and the child's temperament and home environment.[115] On the other hand, *high-quality* center-based care is generally correlated with slighter better cognitive, social, academic, and language skills. Benefits are more pronounced for children from low-income households, and gains are sustained through adulthood.[116]

Pointing to these potential positive outcomes for children and parents, some contend that it is in the government's best interest to regulate and/or subsidize childcare services to ensure broad access to high-quality care as a societal good. In the military, this means that junior enlisted members, who generally have lower earnings, may have access to higher quality care than they would be able to otherwise afford. This could have first order effects of better financial security for junior enlisted and single-parent military families through greater opportunities for spousal employment and lower childcare fees. Some advocacy groups and researchers have gone further and argue that the federal government has a *national security* interest in the provision of high-quality childcare for members, since it can improve the quality of the eventual recruiting pool for the military.[117] Some studies have found that youth with a military family member are more likely to serve, and approximately one-third of new military recruits have a parent who served.[118] This suggests that early investments in children of military families may provide indirect long-term benefits to the military services.

Other arguments against government sponsorship of childcare suggest that use of taxpayer dollars to subsidize single-parent families or those with two working parents is inherently inequitable or discriminatory against those without children or families with one parent who stays at home to care for children.[119] Others suggest that the federal government should play a smaller role in the

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[113] Women who take time off from work to care for children find it difficult to return to their career, earn less than women who do not have children, and, as a result, often experience lifelong financial penalties. Peter Hann and Katharina Wrolich, "Can child care policy encourage employment and fertility? Evidence from a structural model," *Max Planck Institute for Demographic Research*, October 2009. Ronald R. Rindfuss et al., "Child-Care Availability and Fertility in Norway," *Population and Development Review*, vol. 36, no. 4 (2010), pp. 725-748.

[114] Positive outcomes include higher scores on cognitive testing, and better social skills and language development. Negative behavioral outcomes include decreased levels of cooperation, and increased aggressiveness or impulsiveness.

[115] M. Pluss, and J. Belsky, "Differential Susceptibility to Rearing Experience: The Case of Child care," *Journal of Child Psychology and Psychiatry*, vol. 50, no. 4 (April 2009), pp. 396-404. Susanna Loeb, et al., "How Much Is too Much? The Influence of Preschool Centers on Children's Social and Cognitive Development," *Economics of Education Review*, vol. 26, no. 1 (February 2007), pp. 52-66.

[116] High quality typically characterized by a high ratio of adults per child, quality interactions with children, and more highly educated/qualified caregivers. https://www.acf.hhs.gov/sites/default/files/opre/early_ed_qual.pdf

[117] Karen Billings et al., *Child Care and National Security*, Mission: Readiness, How Greater Access to High-quality Child Care can Help Improve Military Readiness, 2017.

[118] Philip Carter, et al., *AVF 4.0: The Future of the All-Volunteer Force*, Center for New American Security, CNAS Working Paper, March 28, 2018, https://www.cnas.org/publications/reports/avf-4-0-the-future-of-the-all-volunteer-force.

[119] In Our Hands, p. 54. Andrea L. Campbell, "Has Child Care Policy Finally Come of Age?" *The American Prospect*,

provision of social welfare programs such as subsidized childcare, and that these programs are better funded by state and local governments, or through private/nonprofit groups where there may be more accountability for the allocation of funds. In terms of DOD-funded childcare programs, military leaders and other experts have raised concerns about rising personnel costs and the resulting pressure on defense budgets, particularly during times of fiscal austerity or growth in the size of the force. Some argue that with limited resources, the Department should put a priority on war-fighting capabilities rather than expanding personnel benefits.

Those who advocate specifically for DOD-sponsored childcare services point to expansion of family-friendly benefits among private sector employers and suggest that these benefits help to make DOD a more attractive employer. DOD's ability to offer competitive benefits becomes increasingly important in order to attract and retain talent during periods of force growth and times when the economy is strong and there is low civilian unemployment.[120]

What are the Pros and Cons of Different Types of Childcare Support?

While some may debate whether DOD should provide childcare services at all, another consideration for Congress is whether certain childcare activities should be funded or incentivized over others. Currently DOD's CDP includes a mix of direct provision of on-installation care, training, support and oversight of privatized care (FCCs), government employees in government-owned facilities (CDCs), subsidies to military families for off-installation privatized care (e.g., fee assistance programs), and provision of localized information about private childcare providers and resources. Factors to take into account when considering the pros and cons of different childcare support programs include cost, accountability, and parental preferences.

Family Care Centers (FCCs)

The Navy has historically had a large number of certified FCCs relative to the other services (see **Table 1**). Proponents of FCCs note that they are lower cost to the services. A 2002 RAND study found that the average annual cost per infant (age 6 weeks -12 months) in a CDC was more than twice as much as the average annual cost per infant in an FCC.[121] In general, while DOD subsidizes FCC fees, they have lower overhead costs. Care is provided in private residences, and operational costs are typically the responsibility of the FCC provider.[122] One FCC home coordinator may be assigned to multiple homes or work on a part-time basis, whereas CDC administrative staff members are likely to be full-time employees.[123]

Another purported benefit of the FCCs is that they provide an opportunity for military spouses to own and operate a business while caring for their own children. In 2015, the Navy reported that

May 22, 2015. http://prospect.org/article/has-child-care-policy-finally-come-age

[120] See the earlier discussion in this report on "Why Does DOD Provide Childcare Services?"

[121] The average annual cost for an infant at a CDC was $12,133 and $5,014 for FCCs. Gail L. Zellman and Susan M. Gates, *Examining the Cost of Military Child Care*, RAND Corporation, Santa Monica, CA, 2002, pp. 38 & 46, https://www.rand.org/pubs/monograph_reports/MR1415.html#toc.

[122] Some FCCs are operated in military housing on the installation. There may be some indirect costs to DOD if FCC operations lead to greater wear and tear on these assets.

[123] Gail L. Zellman and Susan M. Gates, *Examining the Cost of Military Child Care*, RAND Corporation, Santa Monica, CA, 2002, pp. 38 & 46.

94% of FCC providers were military spouses.[124] This may let FCCs provide employment opportunities to military spouses while also freeing space at a CDC for other children (e.g., children of dual-military couples or single parents). In-home centers may have more flexibility for drop-in/respite services, care for sick children, and care outside "normal" working hours. An Air Force survey of FCC providers found that just over half were willing to offer extended duty and weekend care, while 24% were willing to offer overnight care.[125] In addition, FCC care is available for infants from four weeks old while CDC care eligibility starts at six weeks.[126] The number of children in FCCs is capped at six children at any one time. Some parents may prefer a smaller, in-home setting to the day care environment. Other parents may prefer FCCs because they can allow parents to exercise more discretion over the care setting and the caregivers that are most suitable to their child's needs.

Nevertheless, there are some limitations to in-home care. In many cases, in-home care is operated by military spouses who may be subject to frequent or short-notice permanent change of station (PCS) orders. In addition, if the FCC operator falls ill or takes leave time, there may not be available back-up caregiving options. These factors could affect continuity of care for FCC patrons. The potential for frequent moves may also deter some military spouses from establishing an FCC if the time and resources needed to start up and certify home-based care in a new location are overly burdensome. The services have estimated that the amount of time it takes to certify a new FCC (including background checks, home inspections, and training and orientation) is anywhere from two to nine months.[127] In addition, while FCC homes are certified and inspected, there is the potential for less oversight of safety and quality of care than in government-operated facilities.

Center-Based Care (CDCs)

While CDCs may be more expensive for DOD to operate, they may be more preferable to servicemembers in terms of stability, convenience, continuity of care, and oversight. Like FCCs, CDCs also provide employment, training, and development opportunities for military spouses.[128] CDCs are sometimes housed in purpose-built facilities, have a larger staff component, and can handle more children than FCCs. In addition, CDCs are typically located on the military installation where the servicemember is assigned, providing convenience (FCCs may be located on or off the installation). On the other hand, some research has found that children in center-

[124] Navy documents submitted to the Defense Advisory Committee on Women in the Services (DACOWITS), September 9, 2015, available at http://dacowits.defense.gov/Portals/48/Documents/Reports/2015/Documents/DACOWITS%20September%20Meeting%20Files.pdf.

[125] Air Force documents submitted to the Defense Advisory Committee on Women in the Services (DACOWITS), September 9, 2015, available at http://dacowits.defense.gov/Portals/48/Documents/Reports/2015/Documents/DACOWITS%20September%20Meeting%20Files.pdf.

[126] Military servicemembers designated as the primary caregiver are authorized by law (10 U.S.C. §701(i)(1)(A)).to take up to 12 weeks of leave (including up to 6 weeks of convalescent leave) in connection with the birth of a child.

[127] Briefings presented to the Defense Advisory Committee on Women in the Services (DACOWITS), September 9, 2015, available at http://dacowits.defense.gov/Portals/48/Documents/Reports/2015/Documents/DACOWITS%20September%20Meeting%20Files.pdf. The services noted that background check adjudication is the main factor in certification delays.

[128] Lt. Gen. Gwendolyn Bingham (USA), Asst. Chief of Staff for Installation Management, "And a large portion of our CDC workers are spouses. They've moved due to PCS relocations, and so that's further exacerbating our—our numbers and statistics right now." http://www.cq.com/doc/congressionaltranscripts-5057103?0

based care are ill more often than children in home-based care, which could lead to more time off from work for military parents.[129]

From the DOD perspective, the cost of building, operating, and maintaining CDC facilities may be significant. DOD has noted that there is "a continued need for repairing and replacing aging facilities in addition to building new facilities."[130] At the same time, 2016 data show that 70% of married servicemembers live off the military installation.[131] While some members may favor care on the installation because it is closer to their workplace, it may be more convenient or preferable for the member and his or her spouse to have care located near the family's residence—in the civilian community. A 2006 study found that the propensity to use CDC care decreases the farther a family lives from the installation.[132]

Fee Assistance

There are some potential benefits to the fee assistance program in comparison to the DOD-run care facilities. First, within DOD's certification requirements for the fee assistance programs, parents may have a broader range of choice over the model of care and developmental curriculum (e.g., Montessori, parochial, home-based, etc.). Second, by participating in community-based childcare, military families may have more opportunities to build social networks and connections with non-military families in their neighborhoods. A recent survey of military families found that approximately half of the families "feel like they don't belong in their local civilian community," and would like more opportunities to build local networks.[133] In addition, survey respondents indicated school and childcare as one of the top opportunities to increase local connections. Some evidence suggests that fee assistance programs may also be a better fit for families that do not live on military installations.

A 2006 study found that, "Across the board, families living off base are more likely to choose formal civilian child-care options over the DoD CDC, and propensity to use civilian child care increases as the distance from an installation grows."[134] Fee assistance programs may be particularly beneficial for reservists, who often live farther from military installations and do not have access to CDCs or FCCs. Finally, subsidizing private childcare programs could have broader spill-over effects. DOD's high standards and criteria for private provider eligibility could serve to improve the quality of childcare services within the community for both military and civilian families.

A potential limitation of the fee assistance programs for non-DOD affiliated providers is that these private providers may be less likely to offer services that cover extended or unusual duty hours (e.g., nights, weekends, or shift work). Some in the Congress have expressed concern about the privatization of quality of life services such as childcare and its potential impact on quality of

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[129] Johansen, Anne S., *Child Care: Preferences, Choice, and Consequences*, RAND Corporation, Santa Monica, CA, 1992.

[130] Department of Defense, *Annual Report to the Congressional Defense Committees on the Department of Defense Policy and Plans for Military Family Readiness: Fiscal Year 2016*.

[131] Department of Defense, *Annual Report to the Congressional Defense Committees on the Department of Defense Policy and Plans for Military Family Readiness: Fiscal Year 2016*.

[132] Joy S. Moini, Gail L. Zellman, and Susan M. Gates, *Providing Child Care to Military Families*, RAND Corporation, The Role of the Demand Formula in Defining Need and Informing Policy, Santa Monica, CA, 2006.

[133] Blue Star Families Military Family Lifestyle Survey, *Comprehensive Report*, 2017.

[134] Joy S. Moini, Gail L. Zellman, and Susan M. Gates, *Providing Child Care to Military Families*, RAND Corporation, The Role of the Demand Formula in Defining Need and Informing Policy, Santa Monica, CA, 2006, p. 43.

care.[135] In addition, GAO found that some families using fee assistance off-installation care still had higher costs than those offered by on-installation care.[136] Some military families have also expressed frustration that under the current fee assistance program their preferred private childcare providers do not meet the DOD standards and thus are ineligible for fee assistance subsidies.

Cash Stipends

DOD's fee assistance program makes payments directly to childcare providers. Another option would be to supply fixed stipends to military parents to subsidize childcare. Currently, military personnel receive basic allowances for housing (BAH) as cash payments and those with dependents receive more BAH than those without. This type of system would have similar benefits to the current fee assistance program, but could offer parents even more choice and flexibility in selecting childcare providers. Supporters of such a system argue that cash benefits are generally more efficient than in-kind benefits, since members can more easily assess the value of the benefit.[137] Past focus groups with military families have revealed that among parents who used the CDC's, many were unaware that they were receiving a subsidy from DOD and some even believed DOD was profiting from the CDCs.[138]

Nevertheless, an unrelated survey of military personnel found that a substantial majority "would rather maintain access to existing quality of life benefits than exchange those benefits for cash vouchers."[139] In addition, depending on how the benefit system was designed, oversight, accountability, and management may be more challenging. Questions that would need to be addressed with such a program include the following:

- Would military sponsors be required to show proof of care (e.g., receipts) to receive cash benefits?
- Would cash benefits be provided on a per-child basis? Would it vary by the child's age?
- Would families with non-working spouses be eligible to receive a stipend?

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[135] "We are solidly behind the morale, welfare and recreation system. We have been told, and we believe, that these programs are essential to elements affecting military readiness in the military community. I am talking about all of the programs here, exchanges, commissaries, youth centers, child care centers, and libraries. It is an integrated, interrelated package that begins to unravel if you remove too many of the basic parts. Now, under admittedly great budget pressures, some services appear to be backsliding and are leaning toward wholesale privatization in military communities, at least that is some of the information we are receiving. Suffice it to say, we want to pursue this issue fully, and we are deeply concerned about it." Opening Statement of John M. McHugh, Chairman, Special Oversight Panel on Morale, Welfare, and Recreation, U.S. Congress, House Committee on Armed Services, *Hearing on the National Defense Authorization Act for Fiscal Year 2000*, 106th Cong., 1st sess., March 10, 1999, H. Hrg 106-8.

http://commdocs.house.gov/committees/security/has069120.000/has069120_0f.htm

[136] In 2010, the GAO found that, on average, Navy and Air Force personnel were paying higher off-installation fees and the Army and Marine Corps were paying lower off-installation fees. U.S. Government Accountability Office, *M ilitary Child Care: DOD is Taking Actions to Address Awareness and Availability Barriers*, GAO-12-21, February 2012, https://www.gao.gov/assets/590/588188.pdf.

[137] *The Tenth Quadrennial Review of Military Compensation*, Volume II, Deferred and Noncash Compensation, July 2008, p. 89, http://militarypay.defense.gov/Portals/3/Documents/Reports/10th_QRMC_2008_Vol_II.pdf.

[138] Joy S. Moini, Gail L. Zellman, and Susan M. Gates, *Providing Child Care to Military Families*, RAND Corporation, The Role of the Demand Formula in Defining Need and Informing Policy, Santa Monica, CA, 2006, p. 71.

[139] *The Tenth Quadrennial Review of Military Compensation*, Volume II, Deferred and Noncash Compensation, July 2008, p. 89, http://militarypay.defense.gov/Portals/3/Documents/Reports/10th_QRMC_2008_Vol_II.pdf., p. 88.

- Would childcare stipends be a flat rate (similar to basic allowance for subsistence) or vary by geographic location and prevailing market rates (similar to BAH)?

A cash stipend system that would allow parents to choose any childcare provider, regardless of certifications, could result in the purchase of lower-quality childcare than what could be provided through the current DOD system.

Other Federal, State, and Local Childcare Support

In terms non-DOD financial support for childcare, there are a number of state and federal programs that offer financial assistance in the form grants, subsidies, and/or tax credits.[140] Localized information on these services may be provided by installation referral and resource centers to military members as part of welcome packets following a permanent change of station (PCS). Some private childcare centers also offer their own forms of assistance such as discounts for military-connected children, multiple children, negotiable rates, scholarships, and sliding-scale fees based on income.

Other CDP Oversight Issues

Beyond the mix of childcare services that Congress chooses to fund through annual appropriations, there are also oversight issues related to access, equity, and quality. In general, military families have high satisfaction with DOD-sponsored programs, and experts have pointed to the military childcare system as a model that other private employers or government agencies may look to emulate.[141] Military families express frustration over such matters as lack of awareness of the range of non-CDC support available, CDC wait-list management issues, a desire for longer or more flexible CDC hours and other supplemental care options, and the need for more spots for infants.

Lack of Awareness

There are multiple avenues through which DOD and the military services conduct outreach to members about childcare services, including handouts and posters on installations, newcomer or pre-deployment briefings, or other referral offices and websites (e.g., MilitaryOneSource.mil). Nevertheless, a 2012 GAO study found that some members, particularly those in the Guard and Reserves, have noted that they are not aware of all of the services available to them, and in particular, subsidized services that are available in local communities.[142] Others were unaware of eligibility requirements, or of the need to apply early for waiting lists upon learning that they were expecting a child or being transferred to a new installation.[143]

Some of the actions that the services have taken to address these issues are assigning dedicated resource and referral staff, providing targeted information for expectant parents, and developing

[140] See for example, CRS Report R44993, *Child and Dependent Care Tax Benefits: How They Work and Who Receives Them*, by Margot L. Crandall-Hollick, and CRS In Focus IF10511, *Child Care Entitlement to States*, by Karen E. Lynch.

[141] Sarah Butrymowicz and Jackie Mader, "How the Military Created the Best Child Care System in the Nation," *The Hechinger Report*, March 20, 2016.

[142] U.S. Government Accountability Office, *Military Child Care, DOD is Taking Actions to Address Awareness and Avaialbility Barriers*, GAO-12-21, February 2012, p. 19, https://www.gao.gov/assets/590/588188.pdf.

[143] Ibid. p. 21.

sponsorship programs for those transferring to a new installation. In 2015, DOD launched MilitaryChildCare.com as an online portal with helpdesk support for members to find information about childcare services, to submit requests for care, and to be placed on waiting lists for military CDCs. The implementation of this initiative was rolled out in phases, and was completed in June 2017. For members looking for off-installation care under the fee assistance or respite programs, Child Care Aware of America, operates an online portal that assists military families in finding accredited care centers, determining eligibility, and applying for subsidies.[144] The full implementation of these online resources is fairly recent, and potential measures for evaluating effectiveness include member satisfaction with the online portal and processes and statistics on usage and site views.

CDC Wait List Management

DOD's MilitaryChildCare.com initiative was intended, in part, to address member grievances about wait list management by integrating individual installation wait list processes into one DOD-wide system and providing more visibility into members' standing on such lists. Concerns still remain about the length of waiting lists, particularly on large bases or in high-demand areas, and how wait list priority is determined.[145] DOD's target for the amount of time that a family spends on a wait list is 90 days.[146] However, in 2014 the Services have estimated average wait list times to be three to nine months.[147] Some family advocacy groups have argued for higher wait list priority for certain active servicemembers over DOD civilian employees. They have noted that frequent PCS moves for military families—sometimes on short notice or with last minute extensions or delays—preclude military families from obtaining favorable spots on waiting lists, whereas civilian personnel move less frequently and generally have more notice prior to moves.[148] Others have argued for income-based placement on wait-lists, which would prioritize CDC placement for families who could least afford quality, off-installation care. Current law requires DOD to set fees based on family income, but does not establish priority categories for military childcare wait-lists.[149]

CDC Capacity

The amount of time a military family spends on a wait list is a function of both geographic demand and CDC capacity. This capacity, in turn, depends on the size of the facility and the number of CDC employees. Options to expand capacity on high-demand installations would be to build new CDC facilities and to expand or refit existing space. Potential barriers to this include lack of available or appropriate physical space on certain installations and lack of the military construction funding that would be required. In addition, construction projects often have long lead times (to account for appropriating funds, the contracting process, and the design and build)

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[144] See http://usa.child careaware.org/fee-assistancerespite/military-families/.

[145] For example, "Wait list varies on the age of the child and spaces available. So the average wait list right now is seven months up at Portsmouth. The high was 10; it's down to seven." Senate Armed Services Subcommittee on Readiness and Management Support Holds Hearing on the State of Public Shipyards, Apr. 05, 2016.

[146] Military Compensation and Retirement Modernization Commission, *Final Report*, January 29, 2015, p. 157, https://www.ngaus.org/sites/default/files/MCRMC%202015_0.pdf.

[147] Ibid.

[148] Testimony: Statement of Ms. Joyce W. Raezer Executive Director National Military Family Association

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[149] 10 U.S.C. §1798.

and may not be able to accommodate short-term surges in demand. If physical space is available, one other limitation is the availability and ease of recruiting and hiring childcare workers to

maintain required caregiver-to-child ratios. In the past, issues such as federal hiring freezes and pace of background checks has slowed the pace of hiring for CDCs. Some of these staffing issues were addressed in the FY2018 NDAA as discussed in a previous section (see "Recent Initiatives: CDC Hours of Operation and Hiring Authorities").

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