

# FY2023 NDAA: Military Child Care Programs

August 29, 2022

The Department of Defense (DOD) operates the largest employer-sponsored child care program in the United States, [serving approximately 200,000 children](#) of uniformed servicemembers and DOD civilians annually, and employing about 20,000 child care workers, at an [annual cost of over \\$1 billion](#). Several provisions in the House-passed (H.R. 7900) and Senate Armed Services Committee (SASC)-reported (S. 4543) National Defense Authorization Act (NDAA) for Fiscal Year 2023 would authorize or amend military-sponsored child care programs.

## Background

Military child care programs are authorized under [10 U.S.C. §§1791](#) et seq. Child care is provided through a combination of direct care through military child development centers (CDCs); family child care homes; school-age care; and fee assistance support to certified civilian providers. These programs are supported through a combination of appropriated and non-appropriated funds. Parental fees for child care services are progressively scaled based on total family income. For more information, see [CRS Report R45288](#), *Military Child Development Program: Background and Issues*.

**Table I. Selected FY2023 NDAA Child Care Provisions**

House-passed (H.R. 7900)	SASC-reported (S. 4543)
<b><i>Fee assistance program</i></b>	
Sec. 573 would expand the in-home fee assistance pilot program from five to six locations.	No similar provisions
Sec. 579 would require Service Secretaries to promote awareness of certain child care benefits.	
Sec. 623 would expand covered assistance to civilian childcare providers to include financial assistance and “free or reduced-cost childcare services furnished by [DOD].”	
<b><i>CDC Capacity and Staffing Issues</i></b>	

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House-passed (H.R. 7900)	SASC-reported (S. 4543)
Sec. 625 would require DOD to conduct a study and report on military installations with limited child care.	No similar provisions
Sec. 606 would provide reimbursement of travel and transportation costs for a child care provider incident to a permanent change of station or assignment.	
Sec. 609E would require a study of CDC provider compensation at certain installations.	
No similar provisions	Sec. 573 would authorize a pilot program to hire special education inclusion coordinators for CDCs.
<b>CDC Infrastructure</b>	
Sec. 2876 would require certain DOD investments in improving CDC infrastructure through 2026.	No similar provisions

**Source:** CRS analysis of legislation on Congress.gov.

## Discussion

Under [10 U.S.C. §1798](#), DOD may provide financial assistance to eligible civilian child care providers. The FY2021 NDAA (P.L. 116-283 §589(b)) required DOD to carry out a five-year pilot program to provide financial assistance for in-home child care providers (e.g., nannies) at five high-demand locations. The FY2022 NDAA (P.L. 117-81 §624) authorized the program's expansion to other appropriate locations. As of August 2022, the program is [offered in the National Capitol Region; Hawaii; San Diego; Norfolk, VA, and San Antonio, TX](#) – five high-demand regions identified in a [2020 congressionally-mandated report](#). Section 573 of the House bill would require DOD to expand the pilot program from five to six high-demand locations. Section 579 of the House bill would require DOD to promote awareness of the pilot program. [Reportedly](#), as of February 2022, there were five families enrolled in the pilot program; 43 families with in-process applications; and 2,174 requests for assistance for 250 available slots across all high-demand installations. Section 623 of the House bill would amend [10 U.S.C. §1798](#) to change the definition of covered assistance to civilian child care providers to include financial assistance and “free or reduced-cost child care services furnished by [DOD].”

Provisions in both bills would seek to address capacity and staffing challenges at CDCs. Section 625 of the House bill would require a report to Congress on CDC capacity, infrastructure, and cost constraints at certain installations. Section 609E of the House bill would require DOD and the Department of Homeland Security (DHS) to study child care employee compensation in the vicinity of high-demand DOD and Coast Guard installations in order to compare CDC compensation to similarly credentialed employees at public elementary schools. Based on the results of these studies, Section 609E would require the total dollar value of CDC employee compensation to be “not less than the average dollar value of the total compensation of similarly credentialed employees [...] in such geographic area.” [10 U.S.C. §1792](#) requires competitive pay rates for CDC non-appropriated fund employees relative to other employees on the military installation with similar experience, but does not require competitive pay rates relative to local child care providers or teachers. DOD [has reported](#) that CDC staff salaries “compare favorably to the early care and education field at large” but addressing child care wages remains a priority for its joint service working group.

Section 606 of the House bill would create a new transportation allowance under [37 U.S.C. §453](#) for certain child care providers. This provision would allow a military family with permanent change of station orders to be reimbursed for expenses associated with travel of a designated provider if child care is unavailable at the destination CDC within 30 days of arrival. The provision would provide up to \$500 for relocation within the United States and \$1,500 outside the continental U.S.

Section 573 of the SASC bill would authorize a pilot program for hiring special education inclusion coordinators for CDCs. The DOD standard of care for CDCs requires “procedures for reviewing and making reasonable accommodation for children with special needs that do not fundamentally alter the nature of the program.” Selection of pilot program centers would be guided, in part, by the number of dependent children enrolled in the [Exceptional Family Member Program](#) at that locality.

Section 2876 of the House bill would require multi-year service-level investments in improving CDC physical structures. Funding would come from the Facilities, Sustainment, Restoration and Modernization (FSRM) accounts within the Operation and Maintenance title. The minimum amount of investment required for each service would be determined by a calculation of the total replacement cost of all CDCS across the service. Based on that calculation, the services would have to set aside FSRM money to fund improvement projects equal to or greater in value than:

- 1% of total replacement costs for FY2023.
- 2% of total replacement costs for FY2024.
- 3% of total replacement costs for FY2025.
- 5% of total replacement costs for FY2026.

The House Armed Services [Committee Report to accompany H.R. 7900](#) expresses disappointment in the “chronic underfunding” of FSRM, and directs DOD to provide the Committee with a report detailing how much FSRM funding was spent on CDCs over the past five years.

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