

FY2023 NDAA: Military Child Care Programs

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The Department of Defense (DOD) operates the largest employer-sponsored child care program in the United States, [serving approximately 200,000 children](#) of servicemembers and DOD civilians. It employs about 20,000 child care workers, at an [annual cost of over \\$1 billion](#). Several child care-related provisions were considered in the House-passed (H.R. 7900) and Senate Armed Services Committee (SASC)-reported (S. 4543) versions of the National Defense Authorization Act for Fiscal Year 2023 (FY2023 NDAA). The enacted legislation (P.L. 117-263; the James M. Inhofe National Defense Authorization Act for Fiscal Year 2023) amends military-sponsored child care authorities and includes oversight actions (e.g., required reports and briefings).

Background

DOD provides appropriated and non-appropriated funds to support military child care programs under [10 U.S.C. §§1791](#) et seq. These include military-operated child development centers (CDCs) as well as subsidies to privately-operated family child care homes and civilian daycare providers. 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)	Enacted (P.L. 117-263)
Fee Assistance Program		
Sec. 573 would have expanded the in-home fee assistance pilot program from five to six locations.	No similar provisions	Not adopted.

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House-passed (H.R. 7900)	SASC-reported (S. 4543)	Enacted (P.L. 117-263)
Sec. 579 would have required Service Secretaries to promote awareness of fee assistance benefits and provide a report to several congressional committees on the actions taken.	No similar provisions	Sec. 577 adopts the House provision with an amendment that limits the mandated briefings to the Armed Services Committees.
Sec. 579I would have expressed the sense of Congress that servicemembers who participate in the Department of State-managed au pair exchange visitor program should be eligible for fee assistance under the in-home care pilot program and would have required a DOD briefing to the Armed Services and Foreign Affairs committees on the feasibility of including au pairs in the fee assistance program.	No similar provisions	Sec. 579A adopts the House provision with an amendment that removes the “sense of Congress” language and limits the mandated briefings to the Armed Services committees.
CDC Capacity and Staffing Matters		
Sec. 623 would have expanded covered assistance to civilian childcare providers to include financial assistance and “free or reduced-cost childcare services furnished by [DOD].”	No similar provision	Sec. 642 adopts the House provisions with an amendment that authorizes DOD to charge reduced fees to civilian CDC employees whose children attended CDCs as a recruitment and retention incentive.
Sec. 625 would have required DOD to conduct a study and report on military installations with limited child care.	No similar provision	Sec. 644 adopts the House provision with an amendment that requires a briefing to the Armed Services committees on military installations with limited child care.
Sec. 606 would have provided reimbursement of travel and transportation costs for a child care provider incident to a permanent change of station.	No similar provision	Sec. 627 adopts the House provision with an amendment that authorizes a five-year pilot program to reimburse certain travel and transportation costs for a child care provider incident to a permanent change of station.
Sec. 609E would have required a study by the Secretaries of Defense and Homeland Security on CDC provider compensation at certain installations, as well as establishment of minimum compensation levels based on the study.	No similar provision	Sec. 665 adopts the House provision with an amendment that requires the Secretary of Defense to conduct a CDC compensation study but does not require an automatic compensation adjustment based on the study findings.
No similar provisions	Sec. 573 would have authorized a pilot program to hire “special education inclusion coordinators” for CDCs.	Sec. 576 adopts the Senate committee provision with an amendment authorizing the hiring of “special needs inclusion coordinators”
CDC Infrastructure		
Sec. 2876 would have required certain DOD investments in improving CDC infrastructure through 2026.	No similar provisions	Sec. 287I adopts the House amendment and includes a requirement for a DOD briefing to Congress prior to March 1, 2023.

Source: CRS analysis of legislation on Congress.gov.

Fee Assistance Program

DOD may subsidize private daycare for military families through an existing [fee assistance program](#). The FY2021 NDAA (P.L. 116-283 §589(b)) required DOD to carry out a five-year pilot program to expand fee assistance to 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 locations](#). Section 573 of the House-passed FY2023 NDAA would have required DOD to expand the pilot program from five to six high-demand locations. This provision was not adopted, and the [Joint Explanatory Statement](#) to accompany the FY2023 NDAA notes,

section 624 of the [FY2022 NDAA] ... already authorized expansion of the in-home childcare pilot program to additional locations. We further note that military families continue to face challenges finding adequate childcare, especially those stationed in remote areas, including Holloman Air Force Base, New Mexico; Naval Air Station Lemoore, California; Fort Drum, New York; and Marine Corps Base Twentynine Palms, California. We expect the Secretaries of the military departments to explore all feasible options for improving availability and access to childcare in such areas, including consideration of expanding the pilot program.

Section 577 of the enacted legislation adopts a House provision requiring DOD to promote awareness of fee assistance benefits to military families.

CDC Capacity and Staffing Matters

Provisions enacted in the FY2023 NDAA seek to address capacity and staffing challenges at CDCs. Section 625 of the House bill would have required a DOD study and report to Congress on CDC capacity, infrastructure, and cost constraints at certain installations. The enacted bill (Section 644) removes the requirement for a report and instead requires a DOD briefing on these topics.

Section 609E of the House bill would have required DOD and the Department of Homeland Security to conduct comparative studies of child care employee compensation in the vicinity of high-demand DOD and Coast Guard installations. Based on the results of these studies, House Section 609E would have required 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 CDC employees to have competitive pay rates relative to other employees on the military installation with similar experience, but does not require rates to be competitive relative to those for local child care providers or teachers. Section 665 of the enacted legislation adopts the requirement for a study but removes the requirement for an automatic compensation adjustment.

Section 623 of the House bill would have amended [10 U.S.C. §1798](#) (fee assistance for civilian child care providers) to allow civilian child care providers to receive financial assistance and “free or reduced-cost child care services furnished by [DOD].” Section 642 of the enacted legislation amends a different statute ([10 U.S.C. §1793](#), parent fees for child care) authorizing DOD to provide discounted fees to CDC employees whose children are enrolled in CDC care “to support recruitment and retention initiatives.”

The enacted legislation includes a provision (Section 627) based on House Section 606 that authorizes a five-year pilot program to reimburse certain child care costs associated with a military move. This new transportation allowance (under [37 U.S.C. §453](#)) allows reimbursement of expenses associated with travel of a designated child care provider (e.g., nanny) if the destination CDC cannot provide care within 30 days of arrival. The allowance may be up to \$500 for relocation within the United States and \$1,500 outside the continental U.S.

Section 576 of the enacted legislation adopts a Senate committee provision to authorize a pilot program for hiring “special needs inclusion coordinators” at CDCs. 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.

CDC Infrastructure

The FY2023 NDAA (Section 2871) requires the military services to invest in improving CDC infrastructure using funding from the Facilities, Sustainment, Restoration and Modernization (FSRM) accounts within the Operation and Maintenance title. For FY2023, the minimum investment required for each service is to be 1% of the estimated total replacement cost of all CDC facilities across the service. The final bill amends Section 2876 of the House bill that called for a five-year investment effort. The House bill’s provision would have required the services 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](#) also directed DOD to provide a report detailing FSRM spending on CDCs over the past five years.

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