March 30, 2007

The Honorable Richard Durbin  
Chairman  
The Honorable Sam Brownback  
Ranking Minority Member  
Subcommittee on Financial Services and General Government  
Committee on Appropriations  
United States Senate  

The Honorable José E. Serrano  
Chairman  
The Honorable Ralph Regula  
Ranking Minority Member  
Subcommittee on Financial Services and General Government  
Committee on Appropriations  
House of Representatives  

Subject: An Assessment of Dependent Care Needs of Federal Workers Using the Office of Personnel Management’s Survey

Recognizing the changing demographics of the federal workforce—significant portions of the workforce are aging, facing the need to care for elderly parents, and are or will be retiring, and in turn likely to be replaced by a younger workforce with child care needs—the Congress was interested in understanding the dependent care needs of the federal workforce and to what extent employees were using or could use federal programs and benefits designed to help meet these needs. We have previously reported that work-life programs, such as alternative flexible work schedules and child care centers and assistance, are viewed by agency officials as being among the most effective programs used to help manage their workforce.¹

In response to these trends, the House and Senate Committees on Appropriations, included a mandate in its Conference Report 108-792 directing GAO to: (1) provide technical assistance to the Office of Personnel Management (OPM) and the General Services Administration (GSA) in their efforts to gather data on federal employee child care needs and analyze options to meet those needs, and (2) review the data and analysis generated and provide the results to the Committees. This letter and

enclosure is our response to this mandate. More specifically, they provide our analysis of results from a survey of federal employees, which OPM developed and administered. That address: (1) the extent of dependent care needs reported by these employees, and (2) the ways in which these employees currently meet those needs, including the use of certain federally-sponsored programs and flexibilities intended to help address child and adult dependent care needs.

To conduct our analysis, as agreed with staff of the subcommittee, we assisted OPM with developing and administering a survey to federal workers. The survey was administered to 40,000 randomly-selected employees to identify their existing and future child and adult dependent care needs and the extent to which current federal dependent care options meet the identified needs. Current dependent care options include federal child care centers, the Child Care Subsidy Program, and dependent care flexible spending accounts or equivalent (DCFSA). GSA and individual agencies are authorized to sponsor child care centers for children of federal employees. The Child Care Subsidy Program authorizes agencies to assist lower-income employees with child care needs by providing a monetary subsidy for care. The DCFSA is a type of flexible spending account that permits employees to set aside a portion of their salaries pretax to pay for dependent care expenses. Dependent care options also include a number of flexible scheduling benefits, such as telework and alternative and flexible work schedules, that federal agencies offer and employees use to meet their dependent care needs. The dependent care survey was administered from April 6 through June 1, 2006, to employees of executive and legislative agencies and the judicial branch’s court units and the Administrative Office of the U.S. Courts. The survey was designed to obtain the needs of, and options used by, employees from various age groups and income levels since programs such as the Child Care Subsidy Program have income eligibility requirements. The data were sufficiently reliable for our purposes of reporting the results.

We analyzed survey data governmentwide for the entire survey population and for agencies or units in each branch separately. We also analyzed survey data for employees with multiple types of dependent care needs because OPM indicated that a growing number of federal workers have both young children and aging parents for whose care they are simultaneously responsible. In some cases, we also analyzed data for individual agencies to determine if there were significant differences across agencies for a few, targeted questions. To supplement survey data and information on dependent care options, we also obtained data on the availability, operation, and utilization of federal child care centers from GSA; on the numbers of executive branch agency personnel and their geographic location from OPM’s Central Personnel Data File; and on the number of executive agencies that provide child care subsidies from OPM. While we did not independently verify the survey responses provided to us by OPM, we did independent analyses and certain statistical tests to verify OPM’s analyses of the data and any comparisons contained in this report.

---

\(^3\) OPM’s survey included questions on both child and adult dependent care needs. Adult dependent care was defined as the responsibility of providing services essential to the health, well-being, or activities of daily living for another adult (aged 18 or older). This included, but was not limited to, elder care.
On December 14, 2006, we briefed subcommittee staff on preliminary survey results. This letter and its enclosure summarize and update the information presented at the briefing and include additional information on federally-sponsored child care centers requested by subcommittee staff. The enclosure generally covers governmentwide trends and additional survey results on agencies in the executive branch, in part because they are under OPM jurisdiction and that agency has primary authority over workplace programs in the executive branch. The enclosure then highlights the extent to which results for employees within the legislative agencies and judicial units match or differ from employees in the executive agencies.

Summary of Findings

Governmentwide, survey results show that about 54 percent of federal employees reported having either child or adult dependent care needs, or both, and about 19 percent of employees currently without dependent care needs expect to have them in the future. Dependent care needs varied across executive branch agencies and between the legislative, judicial, and executive branches. Governmentwide, federal employees with children reported using an array of child care arrangements to meet their needs, with about 75 percent of them reporting that they prefer the arrangements they currently use. Most employees reported they prefer to use some form of in-home care to meet their needs. Less than 10 percent of employees with children in care prior to first grade reported using federal child care centers. However, of the 25 percent of employees with children that were not using their preferred child care arrangement, from 45 to 71 percent of these employees (depending on the age of the child) wanted to use federal centers, and many reported they could not because of availability and cost. In terms of availability, we found that there are currently 225 federally-sponsored child care centers nationwide with one half sponsored and operated by GSA and the other half sponsored and managed by agencies. When determining whether to sponsor a center, an agency, among other things, assesses the geographic location of its employees and whether there are large enough numbers to sustain a center, and if this is the best federal option available to meet employee needs.

With respect to the two other federal dependent care programs, 98 percent of executive branch employees with children reported they did not use a child care subsidy program (not available to legislative and judicial branch employees), and governmentwide, about 93 percent said they did not use a DCFSA. Most employees reported not using these programs either because they did not pay for care or because they did not know about these benefits. Also, of the employees who did not use the DCFSA, 8 percent reported not using it because they did not know how to use it. While results for legislative and judicial branch employee use of child care centers was similar to those for the executive branch, more of these employees used the DCFSA than in executive agencies. Governmentwide, employees reported also using a variety of workplace scheduling flexibilities as options for addressing their dependent care needs. The availability and use of these flexibilities varied widely across agencies and more employees in the legislative agencies and judicial units reported using such flexibilities than in executive agencies. Although availability and
use varied, survey results indicated that these workplace scheduling flexibilities were consistently important to the recruitment and retention of employees with dependent care needs governmentwide.

**Observations on Survey Results and Next Steps**

The dependent care survey results indicate there is no overall mandate for new or additional federal dependent care programs and benefits, since most employees are satisfied with their current care arrangements. However, the data do suggest that agencies could improve communication about and, therefore, better leverage the existing federal dependent care programs and benefits that they may offer, given that a significant number of employees said they did not know if their agency offered these programs or did not know how to use them. Because survey results varied across agencies, they could review their individual results with the programs and workplace options they offer to determine whether these programs and options best balance the agencies’ employees’ needs with mission requirements and promote recruitment and retention of high-quality federal employees. In reviewing their agency-specific data to assess their employees’ unique needs, executive agencies can coordinate with OPM, legislative agencies can coordinate with any relevant oversight bodies such as the Chief Administrative Officers (CAO) Council, and judicial court units can coordinate with the Administrative Office of the U.S. Courts. When assessing dependent care needs, agencies will want to consider conditions and circumstances unique to their agency and employees, including the age, income, and geographic distribution of their workforce.

**Agency Remarks**

We provided a draft copy of this enclosure to OPM and GSA to verify the accuracy of the data and program descriptions. We briefed the CAO Council on the survey’s overall results and results specific to the legislative agencies and briefed the Administrative Office of the U.S. Courts on the survey’s overall results and results specific to the judicial branch. OPM and GSA verified the accuracy of the data and program descriptions and OPM agreed with our overall assessment of the survey results and our suggested next steps. The CAO Council and the Administrative Office of the U.S. Courts also agreed with our suggested next steps.
We will send copies of this report to the Director of OPM, the Administrator of GSA, the Chair of the CAO Council, and the Director of the Administrative Office of the U.S. Courts; appropriate congressional committees; and other interested parties. We will also make this report available at no charge on GAO’s Web site at http://www.gao.gov. Should you or your staffs have any questions about this report, please contact me at (202) 512-6510 or larencee@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs can be found on the last page of this report. GAO staff who made major contributions to this report are Trina Lewis, Latesha Love, Karen O’Conor, Gregory Wilmoth, Rebecca Shea, and George Quinn, Jr.

Eileen Regen Larence
Director, Homeland Security and Justice

Enclosure
Enclosure

Briefing to the Committee on Appropriations
United States Senate

An Assessment of
Dependent Care Needs of Federal Workers
Using the Office of Personnel Management’s Survey
Objectives

The Office of Personnel Management (OPM) oversees management of executive branch federal dependent care programs and the General Services Administration (GSA) oversees management of space for about half of all federal child care centers. GAO was mandated by Conference Report 108-792 to:

• provide technical assistance to OPM and GSA in their efforts to assess child care needs of federal employees and

• review data from OPM’s child and adult dependent care needs survey and report an evaluation of results to the Committees on Appropriations.

We focused our analysis on:

• the existing and future dependent care needs of current federal employees as identified by the OPM survey; and

• the extent to which current federal dependent care options meet identified needs (including federal child care centers, the Child Care Subsidy Program, and the Dependent Care Flexible Spending Account).

Note: In a subsequent Senate report, the Appropriations Subcommittee on Transportation, Treasury, Housing and Urban Development, the Judiciary, and Related Agencies, directed OPM to report on progress made in implementing any GAO recommendations within 6 months after the release of the report mentioned above and requested that OPM include further measures that may be taken to address federal child care needs.
Scope and Methodology

To assess dependent care needs of federal employees, OPM, with technical assistance from GAO and GSA, conducted a survey of the child and adult dependent care needs of executive, legislative, and judicial branch employees:\(^1\)

- A Web-based survey was administered to 40,000 federal employees from:
  - 24 of the most populous agencies of the executive branch, along with a 25th group consisting of all other small and independent agencies within OPM’s Central Personnel Data File (CPDF);
  - judicial branch court units and the Administrative Office of the U.S. Courts; and

- The Web-based Federal Employee Dependent Care Survey was designed to identify the existing and future dependent care needs of current federal employees and explore the extent to which current federal care options meet identified needs.

- Dependent care options include federal child care centers, the Child Care Subsidy Program, and the Dependent Care Flexible Spending Account, among other things.

---

\(^1\) OPM indicated that a growing percentage of employed adults have both young children and aging parents for whose care they are simultaneously responsible, and this presents additional challenges to employees. Also, OPM oversees the program that offers Dependent Care Flexible Spending Accounts, which can be used to address the needs of child or adult dependents. Therefore, OPM’s survey included questions on both child and adult dependent care needs. Adult dependent care was defined as the responsibility of providing services essential to the health, well-being, or activities of daily living for another adult (aged 18 and older). This included, but was not limited to, elder care.
• The survey population was selected to capture employees from various age groups and income levels

• A stratified random sample of employees from each agency was selected, based upon the following four characteristics:\(^1\)
  - federal employees age 50 and under with incomes equal to or below $69K (over sampled),
  - federal employees age 50 and under with incomes above $69K,
  - federal employees over age 50 with incomes equal to or below $69K, and
  - federal employees over age 50 with incomes above $69K.

• The selection of an age group considered the following:
  - younger federal employees are more likely to have children 18 years of age and younger, and
  - current demographic trends suggest older federal workers may also have child care needs as well as be part of the “sandwich generation” with both child and elder care needs.

• The selection of an income group considered the following:
  - executive branch agencies that offer a child care subsidy program have discretion in setting income eligibility requirements,
  - the highest income eligibility threshold set by any agency was $69K, and
  - employees with incomes below $69K were more likely to be eligible for a child care subsidy program.

\(^1\)For employees in agencies with a child care subsidy program income threshold below $69K, the agency’s income threshold was used. For employees in agencies where the income threshold was unavailable, $69K was used.
Scope and Methodology Continued

Survey Administration and Response

- The Federal Employee Dependent Care Survey was administered from April 6 through June 1, 2006. Response rates by branch were: executive (34 percent), legislative (37 percent), and judicial (51 percent).¹ The data were adjusted for nonresponse bias based on age, income and agency and are sufficiently reliable for our purposes of reporting these results.

- The survey was administered via e-mail request from the OPM Deputy Associate Director, Center for Employee and Family Support Policy.

- E-mail access was not available to employees of two legislative branch agencies—Architect of the Capitol (AoC) and U.S. Capitol Police (USCP). Because of the complex skip patterns in the survey, a paper form could not be administered reliably to these two agencies.

- Therefore, a different data collection method was employed for AoC and USCP:
  - **AoC**
    - Special computer kiosks were set up for employees to access the survey.
    - Managers were encouraged to provide employees who wished to participate in the survey both the time and instructions on how to do so.
  - **USCP**
    - Employees were advised of the survey by letter, which provided information on accessing the survey from a home computer or any other available computer.

- OPM provided technical support to all surveyed employees in all three branches.

¹These response rates differ slightly from OPM's calculated response rates because we used a method GAO believes is more appropriate to the way the results are reported and because we included the Capitol Police in our analysis while OPM did not.
To review and report child and adult dependent care needs data:

- We analyzed survey response data for:
  - the entire survey population,
  - each branch separately, and
  - employees with multiple types of dependent care needs.

- Based upon governmentwide trends, we also analyzed responses for targeted questions at the agency level.

- Data on the availability, operation, and utilization of federal child care centers was obtained from GSA.

- Data on the numbers of executive branch agency personnel and geographic location was obtained from OPM's Central Personnel Data File.

- Data on the number of agencies providing child care subsidies was obtained from OPM.

- Data obtained on federal centers, personnel, and child care subsidies are sufficiently reliable for our purposes of reporting these results.\(^1\)

\(^1\)Data on GSA federal centers was sufficiently reliable for our purposes. We did not verify data for the non-GSA centers.
Scope and Methodology Continued

- Our briefing covers governmentwide trends and additional results on the executive branch because its agencies are under OPM jurisdiction. We also highlight similarities and differences between executive branch results and results for the legislative and judicial branches, which are not subject to OPM regulation.

- Results reported for the use of child care programs and benefits are only from survey respondents with dependent care needs.

- We did not independently verify the survey responses provided by OPM. We produced and verified the analysis and estimates for the results in this briefing, including calculating confidence intervals, and conducted significance tests for any survey results that we report in this briefing.
Federal Dependent Care Programs

- The federal government primarily provides assistance to employees with dependent care needs through the sponsorship of federal child care centers, the Child Care Subsidy Program, and the Dependent Care Flexible Spending Account (DCFSA) or an equivalent program.

- There are 225 federal child care centers nationwide that serve the dependent care needs of a range of federal agency employees. About half of these federal centers fall under GSA oversight while others are sponsored directly by other federal agencies. For example, GSA has oversight of a federal center at the Internal Revenue Service in Tennessee, while the Department of Veterans Affairs directly sponsors 41 centers in various locations.

- Federal centers operate without direct federal monetary subsidies, and its users include both children of federal and nonfederal workers.

- The Child Care Subsidy Program authorizes agencies to assist lower-income employees with child care needs by providing a monetary subsidy for care.

- The DCFSA is a type of flexible spending account that permits employees to set aside a portion of their salaries pretax to pay for dependent care expenses.
• Agencies may permit employees to use a number of flexible scheduling benefits to meet their dependent care needs.

  • Flexible work schedules permit employees to alter the time of their arrival and/or departure to reduce the length of the work week or another workday.

  • A compressed work schedule is working a biweekly 80-hour pay period in less than 10 work days.

  • Telework, also referred to as telecommuting, is a work arrangement in which an employee regularly performs officially assigned duties at home or other worksites geographically convenient to the employee’s residence.

  • A part-time schedule is working 32 to 64 hours during a biweekly pay period.
Dependent Care Needs

- Governmentwide, dependent care survey results show that about 54 percent of federal employees reported having either child or adult dependent care needs, or both. Survey results also show that about 19 percent of federal employees who currently do not have dependent care needs expect to have them in the future. Dependent care needs varied across executive branch agencies and between the legislative, judicial, and executive branches.

Types of Child Care Used

- Federal employees governmentwide reported using an array of child care arrangements to meet their needs and generally prefer the arrangements they use. Most employees prefer to use some form of in-home care, either the employees’ own home or someone else’s home. Less than 10 percent of employees with children in care prior to first grade use federal child care centers to meet their needs. However, 25 percent of employees were not using their preferred child care arrangements and from 45 to 71 percent of these employees wanted to use federal centers and many reported that they could not because of availability and cost.\(^1\) Cost was also cited as a reason for not using other preferred child care arrangements.

\(^1\) Percents vary depending on the age of the child.
\(^2\) We cannot necessarily conclude that making additional federal centers available or lowering their cost would increase the use of federal centers by 45 to 71 percent of employees not using their preferred method of care.
Federal Programs Used

- Most employees reported that they did not use the Child Care Subsidy Program (available only to executive branch employees) and dependent care flexible spending accounts (DCFSA) either because they did not pay for care or because they did not know about these benefits. Also, 8 percent of employees reported not using the flexible spending accounts because they did not know how to use them. More employees in the legislative and judicial branches used the DCFSA than in the executive branch.

Federal Benefits Used

- Governmentwide, employees reported they are also using a variety of workplace scheduling flexibilities as options for addressing their dependent care needs, although their availability and use varied widely across agencies. A larger percentage of employees in the legislative and judicial branches used the flexible work schedule and other flexibilities (such as telework) than in the executive branch. Survey results indicated that these workplace scheduling flexibilities were important to the recruitment and retention of employees with dependent care needs.
Observations on Survey Results

- While survey results indicate that there is no overall mandate for new or additional federal dependent care programs, the data suggest that agencies could better communicate and, therefore, better leverage the existing federal dependent care programs and benefits that they may offer. Results also indicate agencies could review the programs and benefits that they offer to determine whether these programs and benefits best balance the agencies’ employees’ needs with mission requirements. In addition, agencies could review whether they can better leverage these workplace options to promote recruitment and retention of employees.

- We outline a number of next steps that agencies and OPM could take to assess their needs and determine to what extent the programs and benefits offered meet these needs, as well as better communicate the programs and benefits available to employees.
Survey results show a sizeable percentage of federal employees reported having child or adult dependent care needs, or both and employees expect to continue to have needs in the future.

**Current Needs**

- About 54 percent of employees governmentwide reported currently having child or adult dependent care needs, or both.
- About 41 percent of employees governmentwide reported currently having child care needs.
- About 23 percent of employees governmentwide reported currently having adult dependent care needs.
- About 9 percent of employees governmentwide who have dependent care needs reported currently having dual child and adult dependent care needs; about 46 percent of employees in this group reportedly expect to continue to have child care needs and about 44 percent reportedly expect to continue to have adult dependent care needs in the future.

Note 1: We define child care needs as employees with households containing children under age 18.

Note 2: The 41 percent, 23 percent, and 9 percent with dual needs can not be added to imply total need because the 9 percent includes those counted in the 41 percent and 23 percent that have child or adult dependent care needs.
Future Needs

- About 19 percent of employees governmentwide who do not currently have child, or adult dependent care needs, or both, reported that they expect to have them in the next 3 years.

- About 10 percent of employees governmentwide who do not currently have child care needs reported that they expect to have them in the next 3 years.

- About 11 percent of employees governmentwide who do not currently have adult dependent care needs reported that they expect to have them in the next 3 years.

- Statistics on future dependent care needs indicate that a sizable percentage of employees expect to continue to have or begin having dependent care needs in the future.

Note: The percentage of employees who currently have dependent care needs and those who do not have needs, but expect to have them in the future, cannot be combined for a total of employees who will have needs in the future. The percentage of employees who currently have needs may increase or decrease in the next 3 years.
Individual agency dependent care needs vary.

- Survey results indicate employee childcare needs vary from 31 percent at the Department of Labor to 50 percent at the Departments of Justice and Homeland Security.

- Survey results for the Department of Defense indicate more than 20 percent of its employees have adult dependent care needs.

- Survey results for the Departments of Energy and Veterans Affairs indicate more than 20 percent of their employees will continue or expect to have adult dependent care needs in the next 3 years.

- The variation in agency needs indicates that each agency may want to consider obtaining its own survey data from OPM and analyzing the data to identify and fully determine its own unique needs.
Governmentwide, federal employees reported using an array of child care arrangements to meet their needs and generally prefer the arrangements they use.

Commonly Used Child Care Options
(Population: all employees with infant, toddler, preschool, or kindergarten dependents)

<table>
<thead>
<tr>
<th></th>
<th>Care in own home</th>
<th>Care in someone else’s home</th>
<th>Care in nonfederal center</th>
<th>Care in federal center</th>
<th>Before/after care</th>
<th>Summer/day camp</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infant</td>
<td>51%</td>
<td>39%</td>
<td>21%</td>
<td>3%</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Toddler</td>
<td>49%</td>
<td>34%</td>
<td>21%</td>
<td>8%</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Preschool</td>
<td>47%</td>
<td>27%</td>
<td>16%</td>
<td>6%</td>
<td>15%</td>
<td>9%</td>
</tr>
<tr>
<td>Kindergarten</td>
<td>39%</td>
<td>21%</td>
<td>11%</td>
<td>4%</td>
<td>48%</td>
<td>27%</td>
</tr>
</tbody>
</table>

Source: GAO analysis of 2006 Federal Employee Dependent Care Survey data.
Note: Table percents exceed 100 percent because respondents were allowed to select more than one method of child care.

• About 75 percent of employees reported using their preferred child care arrangements.
• Overall survey results show a relatively small percentage of employees use federal centers. With the exception of employees with kindergarten dependents, most use some form of in-home care (in own home or someone else’s).
About 25 percent of federal employees with infants, toddlers, preschoolers, and kindergarteners are not using their preferred child care arrangement. Generally most of these employees would prefer to use federal centers or some type of in-home care.

- As shown in the table below, 45 to 71 percent of this group said they would prefer to use federal centers.

### Child Care Arrangement(s) Employees Would Prefer to Use

(Population: responses of the 25 percent of employees with infants, toddlers, preschoolers, and kindergarteners, not currently using their preferred child care arrangement)

<table>
<thead>
<tr>
<th></th>
<th>Care in own home</th>
<th>Care in someone else’s home</th>
<th>Care in nonfederal center</th>
<th>Care in federal center</th>
<th>Before/after care</th>
<th>Summer/day camp</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infant</td>
<td>45%</td>
<td>31%</td>
<td>26%</td>
<td>70%</td>
<td>NA</td>
<td>NA</td>
<td>5%</td>
</tr>
<tr>
<td>Toddler</td>
<td>39%</td>
<td>27%</td>
<td>29%</td>
<td>65%</td>
<td>NA</td>
<td>NA</td>
<td>15%</td>
</tr>
<tr>
<td>Preschool</td>
<td>43%</td>
<td>23%</td>
<td>24%</td>
<td>71%</td>
<td>24%</td>
<td>18%</td>
<td>12%</td>
</tr>
<tr>
<td>Kindergarten</td>
<td>45%</td>
<td>39%</td>
<td>26%</td>
<td>45%</td>
<td>41%</td>
<td>25%</td>
<td>10%</td>
</tr>
</tbody>
</table>

Source: GAO analysis of 2006 Federal Employee Dependent Care Survey data.

Note: Table percents exceed 100 percent because respondents were allowed to select more than one method of child care.
Finding/Result #3

- Frequently cited reasons employees are not using their preferred child care arrangement(s):
  - federal center is not available,
  - prefer to personally care for or have family member care for child but must work, or
  - preferred choice is too expensive.

**Frequently Cited Reasons Employees Are Not Using Preferred Child Care Arrangement**
*(Population: responses of the 25 percent of employees with infants, toddlers, preschoolers, and kindergarteners, not currently using their preferred child care arrangement)*

<table>
<thead>
<tr>
<th>Child Group</th>
<th>A federal center is not available to me</th>
<th>Prefer care by self, other parent/guardian, or relative, but have to work</th>
<th>Preferred method costs too much</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infant</td>
<td>66%</td>
<td>42%</td>
<td>31%</td>
</tr>
<tr>
<td>Toddler</td>
<td>55%</td>
<td>37%</td>
<td>59%</td>
</tr>
<tr>
<td>Preschool</td>
<td>57%</td>
<td>37%</td>
<td>45%</td>
</tr>
<tr>
<td>Kindergarten</td>
<td>48%</td>
<td>58%</td>
<td>47%</td>
</tr>
</tbody>
</table>

Source: GAO analysis of 2006 Federal Employee Dependent Care Survey data.

Note: Table percents exceed 100 percent because respondents were allowed to select more than one reason for not using their preferred method of child care.
Availability of Federal Child Care Centers

- One-half of the 225 federal child care centers fall under the oversight of GSA.
  - In the GSA network, centers are issued a license for the use of space on federal property.

- Federal child care centers are individually managed by a variety of organizations: for-profit and not-for-profit, small and large, and national and local.
  - A small number of centers are managed by nonprofit parent boards. A few centers operate under a direct contract with a federal agency.

- While federal child care centers receive some federal assistance such as space and utilities, they must be able to operate without federal monetary subsidies.
  - Many center locations lack a sufficient number of federal employees to fill a center exclusively with children of federal employees. Authorizing legislation allows for a combination of community and federal employee users to keep centers viable.
  - As of 2005, 58 percent of federal center users were dependents of federal employees. Overall utilization of federal centers was 87 percent of capacity.

- GSA’s Child Care Program assesses the need for additional spaces and new child care centers on an ongoing basis in conjunction with participating agencies.
Finding/Result #3

Distribution of Federal Child Care Centers, Capacity, and Utilization 2005

Capacity and Utilization
225 centers nationwide
17,874 capacity (15,504 enrolled)
87 percent utilization
58 percent federal utilization

Plans: SEC to open a center in late 2007

Source: GSA.
Finding/Result #3

- The geographic location of employees is an important factor in determining availability of federal child care centers to employees. For example:
  
  - As of September 2006, Illinois had approximately 47,000 executive branch employees working for a number of federal agencies across the state. While approximately two-thirds of these employees worked outside of the city of Chicago and immediate surrounding areas, five of the state’s nine federal child care centers were located within the city of Chicago. Four federal centers covered the remainder of the state.
  
  - As of September 2006, New Mexico had approximately 25,000 executive branch employees working for a number of federal agencies across the state. While the state’s one and only federal center was located in the city of Albuquerque, two-thirds of the state’s executive branch employees worked in other parts of the state.
  
  - These data suggest that each agency would need to consider the unique conditions and circumstances relevant to its organization when it reviews its dependent care programs and other relevant dependent care options. These considerations should include not only the age and income of its workforce, but the geographic distribution of employees (rural/urban, near other federal agencies, near federal child care centers, etc.), among other things.
Finding/Result #3

- Agencies have discretion in determining whether a federal child care center best meets their needs. Some agencies with large numbers of employees (over 1,000) working in a particular state sponsor federal centers in that location, while others do not. Likewise, some agencies with smaller numbers of employees have determined that a federal child care center best meets their needs. For example, as of September 2006, the Department of the Treasury had 2,727 employees working in Illinois, but the agency did not sponsor a federal child care center in that state. However, the Department of Health and Human Services, which had 590 employees working in Illinois, sponsored one federal center in that state.

<table>
<thead>
<tr>
<th>Agency</th>
<th># of employees</th>
<th># of federal centers agency sponsors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Veterans Affairs</td>
<td>8951</td>
<td>2</td>
</tr>
<tr>
<td>Department of Homeland Security</td>
<td>4604</td>
<td>1</td>
</tr>
<tr>
<td>Department of Justice</td>
<td>3179</td>
<td>2</td>
</tr>
<tr>
<td>Social Security Administration</td>
<td>3069</td>
<td>1</td>
</tr>
<tr>
<td>Department of the Treasury</td>
<td>2727</td>
<td>0</td>
</tr>
<tr>
<td>Department of Transportation</td>
<td>2056</td>
<td>1</td>
</tr>
<tr>
<td>Department of Agriculture</td>
<td>1755</td>
<td>1</td>
</tr>
<tr>
<td>Environmental Protection Agency</td>
<td>1265</td>
<td>1</td>
</tr>
<tr>
<td>General Services Administration</td>
<td>711</td>
<td>1</td>
</tr>
<tr>
<td>Department of Health and Human Services</td>
<td>590</td>
<td>1</td>
</tr>
<tr>
<td>Department of Energy</td>
<td>294</td>
<td>2</td>
</tr>
</tbody>
</table>

Source: GAO analysis of CPDF data and GSA list of centers.

1In this table the number of centers that agencies sponsor sums to 13 because some agencies share a federal center. However, there are only 9 federal centers in Illinois.
In addition to federal child care centers, the federal government offers a variety of other work-life programs and benefits to assist employees with child and adult dependent care needs. However, the use of some of these programs and benefits is relatively low.

**These other federal programs and benefits include:**
- child care subsidy programs,
- federally sponsored dependent care flexible spending accounts, and
- workplace scheduling flexibilities.
Finding/Result #5

Relatively few employees use a Child Care Subsidy Program.

- Executive agencies, at their discretion, are permitted to use appropriated funds otherwise available for salaries to assist their lower-income employees with child care costs. Agencies determine eligibility criteria and the amount of the child care subsidy they will offer for their individual programs.

- About 2 percent of executive branch employees with children surveyed reported that they use a child care subsidy program.
  - According to OPM, in FY 2006, 31 of 90 agencies (34 percent) participating in an annual child care program survey reported that they offered a child care subsidy program. Eleven of the agencies offering a program were subagencies or offices within a department-level agency.¹

- Information on agency subsidy programs is important, given that a sizeable number of survey respondents who are not using their preferred child care arrangement reported that it is because of costs.

¹Only executive branch agencies are authorized to provide child care subsidies.
Finding/Result #5

Of the 98 percent who do not use a child care subsidy program, about half of the employees reported they do not use it because they do not pay for care and about 18 percent said they do not qualify because of their income. About one-third of employees said they did not know about the program, which suggests that OPM and agencies may need to improve communication about federal options for child care.¹

### Top Reasons for Not Using Child Care Subsidy Program

(Population: the 98 percent of executive branch employees with children that do not use a Child Care Subsidy program)

<table>
<thead>
<tr>
<th>Reason for not using federal subsidy</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>I do not need it because I do not pay for child care</td>
<td>48%</td>
</tr>
<tr>
<td>I did not know about it</td>
<td>33%</td>
</tr>
<tr>
<td>I do not qualify (e.g., household income)²</td>
<td>18%</td>
</tr>
<tr>
<td>Subsidy program is not available in my agency</td>
<td>11%</td>
</tr>
</tbody>
</table>

Source: GAO analysis of 2006 Federal Employee Dependent Care Survey data.

Note: Table percents may exceed 100 percent because respondents were allowed to select more than one reason for not using the program.

²Agencies have discretion in setting income eligibility requirements for their subsidy program. The highest total family income eligibility for any agency is $69K.

¹We can not necessarily conclude that all of the employees who did not know about the subsidy program actually worked in an agency that offers this program.
Finding/Result #5

Similar to overall executive branch results, most employees with children and family incomes below $69K did not use a child care subsidy program because they do not pay for care, and some did not qualify because of income. About one-third of employees with incomes below $69K said they did not know about the subsidy program. These results again suggest that OPM and agencies may need to improve communication about federal options for care, especially to employees who are more likely to be eligible for a subsidy program.

### Top Reasons for Not Using Child Care Subsidy Program

(Population: federal employees with children who have total family income below $69K)

<table>
<thead>
<tr>
<th>Reason for not using federal subsidy</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>I do not need it because I do not pay for child care</td>
<td>52%</td>
</tr>
<tr>
<td>I did not know about it</td>
<td>37%</td>
</tr>
<tr>
<td>I do not qualify (e.g., household income)</td>
<td>10%</td>
</tr>
<tr>
<td>Subsidy program is not available in my agency</td>
<td>12%</td>
</tr>
</tbody>
</table>

Source: GAO analysis of 2006 Federal Employee Dependent Care Survey data.

Note: Table percents may exceed 100 percent because respondents were allowed to select more than one reason for not using the program.

1We cannot necessarily conclude that all of the employees who did not know about the subsidy program actually worked in an agency that offers this program. Also, employees with household incomes below $69,000 who said they did not qualify for the program could be in agencies that have a threshold to qualify lower than $69,000.
Finding/Result #6

Governmentwide, almost all agencies offer a Dependent Care Flexible Spending Account or an equivalent benefit. However, 7 percent of employees with child or adult dependents use the benefit.¹

- The DCFSA is one of two types of flexible spending accounts, sponsored by OPM for agencies, which permit federal employees to set aside a portion of their salaries pretax to pay for dependent care expenses. DCFSA is part of the Flexible Spending Account Program, also known as FSAFEDS.

- Forty percent of federal employees said they do not use the DCFSA program because they do not pay for care. Twenty six percent reported they did not use the program because they did not know about it and about 8 percent did not use it because they did not know how to use the program. Again, this suggests a need for improved communication.

¹Employees with dependent children under age 13, or with any person of any age whom they claim as a dependent on their federal income tax return and is mentally or physically incapable of self care, are eligible to use the DCFSA. Some agencies do not participate in the OPM-sponsored DCFSA program (FSAFEDS), but may offer an equivalent program.
Finding/Result #6

Top Reasons for Not Using the DCFSA Program

<table>
<thead>
<tr>
<th>Reason for not using DCFSA</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>I do not need it because I do not pay for dependent care</td>
<td>40%</td>
</tr>
<tr>
<td>I did not know about DCFSA</td>
<td>20%</td>
</tr>
<tr>
<td>I do not know how to use a DCFSA</td>
<td>8%</td>
</tr>
<tr>
<td>My children are age 13 or older</td>
<td>7%</td>
</tr>
</tbody>
</table>

Source: GAO analysis of 2006 Federal Employee Dependent Care Survey data.

Note: Table percents may exceed 100 percent because respondents were allowed to select more than one response.

1 Employees with dependent children under age 13, or with any person of any age whom they claim as a dependent on their federal income tax return and is mentally or physically incapable of self care, is eligible to use the DCFSA.
Finding/Result #7

- Survey results indicate that agencies’ current methods to communicate about dependent care programs and benefits they offer may not be as effective as they should be. Of the surveyed employees with children, about 39 percent did not know if a federal center is offered by their agency and 59 percent did not know if a subsidy program is offered by their agency.

- Of the surveyed employees with children or adult dependents, more than 60 percent did not know if the Dependent Care Flexible Spending Account is offered by their agency.

- Aside from agency broadcast e-mail, employees who did use the dependent care programs, such as the DCFSA, learned about them more from other sources (e.g., spouses/partners and other federal employees) than from some types of agency communication that are designed to communicate about employee benefits (e.g., employee orientation and open season health fairs.)

- These results suggest a need for agencies and OPM to improve communication to employees.
In addition to dependent care programs, employees also use workplace scheduling flexibilities as an option for addressing dependent care needs. However, the extent to which employees said these options were available to them or they used them varied widely across agencies. These results suggest that agencies may want to analyze their individual survey data to determine how they can leverage these existing workplace flexibilities to best balance employee needs with the mission of the agency.

- Governmentwide, more employees reported having and using the Flexible Work Schedule (FWS)/Alternative Work Schedule than any other flexibility to manage their dependent care needs.
  - Executive branch
    - Top scheduling flexibilities available
      - 42% flexible work schedule/alternative work schedule
      - 38% compressed work schedule/alternative work schedule
      - 25% reported not having any flexibilities
    - Top scheduling flexibilities used
      - 28% flexible work schedule/alternative work schedule
      - 24% reported not having any flexibilities
      - 18% compressed work schedule/alternative work schedule

- A sizeable percentage of executive branch employees also reported using other workplace benefits such as annual leave, sick leave or “comp” time,¹ to address their dependent care needs.
- About 11% of employees did not know what workplace scheduling flexibilities were offered by their agency.

¹“Comp time” also known as “compensatory time” is additional time off work offered by an employer for irregular or occasional overtime work by an employee in lieu of pay.
Employee responses on the flexible scheduling benefits offered and used to meet their dependent care needs differed by agency. For example:

Department of Education
- Frequently cited benefits available
  - 73% flexible work schedule/alternative work schedule
  - 61% compressed work schedule/alternative schedule
  - 54% telework
  - 12% part-time
- Frequently cited benefits used
  - 42% flexible work schedule/alternative work schedule
  - 35% telework
  - 30% compressed work schedule/alternative schedule
  - 6% part-time

Office of Management and Budget
- Frequently cited benefits available (if available)
  - 46% reported not having any flexibilities
  - 23% part-time work
  - 21% flexible work schedule/alternative work schedule
  - 14% telework
- Frequently cited benefits used (if used)
  - 19% reported not using any flexibilities
  - 19% telework
  - 19% flexible work schedule/alternative work schedule
  - 13% part-time

- These results suggest that agencies may want to analyze their survey data to determine whether their current menu of workplace flexibilities best balances the needs of their employees with agency mission requirements.
Finding/Result #9

Workplace scheduling flexibilities were also important to the recruitment and retention of employees with dependent care needs.

- About 53 percent of all federal employees with dependent care needs said that workplace scheduling flexibilities were important to their decision to take their current job and 67 percent said that flexibilities were important to their decision to stay with their agency.

- Workplace scheduling flexibilities were more important to recruitment and retention for employees at some agencies than others:
  - 86 percent of Department of Education employees said workplace scheduling flexibilities were moderately, very, or extremely important to their retention.
  - 64 percent of Department of Justice employees said workplace scheduling flexibilities were moderately, very, or extremely important to their retention.

- Dependent care issues affect retention
  - Employees at several agencies reported that their dependent care needs have caused them to look for a job with another federal agency in the last 12 months.
  - For example:
    - Office of Management and Budget (about 21%),
    - Department of Homeland Security (about 30%),
    - General Services Administration (about 17%), and
    - Department of Justice (about 18%).

- These results suggest that OPM and federal agencies review opportunities to use the flexibilities they offer or explore opportunities to offer additional flexible work options, in order to address challenges to recruitment and retention.
Survey results for legislative and judicial branch employees compared to executive branch employees were similar for some responses and different for others.

- Legislative and Judicial Branch Dependent Care Needs Compared to the Executive Branch

Child and Adult Dependent Care Needs by Branch
(Population: federal employees)

<table>
<thead>
<tr>
<th>Branch</th>
<th>Child care needs</th>
<th>Adult dependent care needs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive</td>
<td>41%</td>
<td>23%</td>
</tr>
<tr>
<td>Judicial</td>
<td>44%</td>
<td>16%</td>
</tr>
<tr>
<td>Legislative</td>
<td>34%</td>
<td>16%</td>
</tr>
</tbody>
</table>

- As previously noted, federal employees (including the legislative and judicial branches) are using an array of child care methods to meet their needs and about 75 percent are using the child care arrangements that they prefer most.
Finding/Result #11

• **Legislative and Judicial Branch Use of Federal Programs**

  • Legislative and judicial branch employee use of federal child care centers is similar to that of executive branch employees.
    - About 3 percent of legislative branch employees use a federal child care center.
    - About 2 percent of judicial branch employees use a federal child care center.

  • More employees in the legislative and judicial branches reported using Dependent Care Flexible Spending Accounts or similar benefits than in the executive branch.
    - About 11 percent of legislative branch employees (or another adult in their household) use Dependent Care Flexible Spending Accounts.
    - About 14 percent of employees (or another adult in their household) in the judicial branch use a dependent care flexible spending account. (Note: The federal judiciary does not participate in the FSAFEDS program, but offers its own version of the FSA program.)
Finding/Result #12

- Legislative and Judicial Branch Communication of Existing Federal Dependent Care Programs

- The judicial and legislative branches did a better job of communicating about existing federal dependent care programs than the executive branch, but opportunities for improved communication still exist.

- The judicial branch had the highest percentage of employees who knew about the Dependent Care Flexible Spending Accounts, followed by the legislative branch. Similarly, more legislative branch employees knew about federal centers than in the executive branch. Although, the judicial and legislative branches did a better job communicating about some federal dependent care programs than the executive branch, lack of information was still cited as a significant reason for employees not using the DCFSA and federal centers.

- In all three branches of government, employees most frequently cited broadcast e-mails as their main source of agency communication about dependent care programs available to them.
• Legislative and Judicial Branch Use of Workplace Scheduling Flexibilities to Address Dependent Care Needs

  • Like the executive branch, legislative and judicial branch employees used the flexible work schedule/alternative work schedule most often to address dependent care needs.

  • However, a larger percentage of legislative and judicial branch employees used the flexible work schedule/alternative work schedule and the telework flexibility to manage their dependent care needs than in the executive branch.

    • Flexible work schedule/alternative work schedule
      • 51% legislative branch
      • 38% judicial branch
      • 28% executive branch

    • Telework
      • 21% legislative branch
      • 12% judicial branch
      • 8% executive branch

  • Workplace flexibilities were important for recruitment and retention

    • Similar to the case in the executive branch, workplace scheduling flexibilities were important to judicial and legislative branch employees. Flexibilities were most important to the recruitment and retention of legislative branch employees.

1The Capital Police was not included in the legislative branch results for this slide. If the agency had been included in legislative branch results for flexible work schedule and telework, the results would have been 42% and 17% respectively.
Conclusions

• Survey data indicate that many federal employees have child or adult dependent care needs, or both, and expect to have or begin having dependent care needs in the future. Because these needs varied among agencies, reviewing their agency-specific data to assess their unique needs would better assist agencies in developing or expanding options available to meet those needs.

• Survey data indicate that federal employees are using a range of child care options to address their dependent care needs, and most are satisfied with their current options; however about a quarter of these employees are not using their preferred child care arrangement and most reported they would prefer to use federal centers. Because many factors affect whether federal centers are a viable option for employees, agencies would need to consider the geographic location of their employees with dependent care needs, among other things, when assessing whether current federal dependent care programs, such as federal centers, are meeting the needs of their employees.

• While survey results indicate that there is no overall mandate for new or additional federal dependent care programs, the data suggest that agencies could better communicate and, therefore, better leverage existing federal dependent care programs that they may offer. These programs include federally-sponsored child care centers, the Child Care Subsidy Program, and dependent care flexible spending accounts.

• Survey results indicate that employees also use workplace scheduling flexibilities to meet their dependent care needs and that these flexibilities were important to their recruitment and retention. Therefore, reviewing the flexibilities that an agency offers to determine whether they best address employee and agency needs and whether the agency could better leverage flexible work options to promote recruitment and retention would be useful.
Next Steps

- Agencies may want to review their agency-specific data to assess their unique dependent care needs.
  - Executive branch agencies can coordinate with OPM to obtain assistance in assessing current and future employee dependent care needs.
  - Legislative branch agencies can coordinate with any relevant oversight bodies, such as the Chief Administrative Officers (CAO) Council, to obtain assistance in assessing current and future employee dependent care needs.
  - Judicial branch court units and the Administrative Office of the U.S. Courts can work together to obtain any necessary assistance in assessing current and future employee dependent care needs.

- When assessing whether current federal dependent care programs, such as federal child care centers or child care subsidies, meet the needs of their employees, federal agencies would need to consider conditions and circumstances that are unique to their agency and its employees, including the age and income of their workforce, geographic distribution of employees (rural/urban, near other federal agencies, near federal child care centers, etc.), and whether their employees have child or adult dependent care needs, or both.

- Executive and legislative agencies and judicial units may want to review the flexibilities they offer to determine (1) whether their current menu of workplace flexibilities best balances the needs of their employees with agency mission requirements and (2) whether there are opportunities to use flexible work options to address areas where the agencies face challenges in recruitment and retention.
• Federal agencies can improve communication about existing federal dependent care programs that may be available to employees.

  • Executive branch agencies, in coordination with OPM, can identify methods to improve communication about federal dependent care programs that are available to executive branch employees. These programs include the Child Care Subsidy Program, Dependent Care Flexible Spending Accounts, and federal child care centers that may be sponsored by the agencies.

  • Legislative branch agencies, in coordination with the CAO Council, can identify methods to improve communication about federal dependent care programs that are available to legislative branch employees. These programs include the use of Dependent Care Flexible Spending Accounts and federal child care centers that may be sponsored by the agencies.

  • Judicial branch court units and the Administrative Office of the U.S. Courts, can work together to identify methods to improve communication about federal dependent care programs that are available to judicial branch employees. These programs include the judicial branch equivalent to dependent care flexible spending accounts and federal child care centers that may be sponsored by the judicial branch.
We provided a draft copy of this briefing to OPM and GSA to verify the accuracy of the data and program descriptions.

We briefed the Chief Administrative Officers Council on the survey’s overall results and results specific to the legislative branch.

We briefed the Administrative Office of the U.S. Courts on the survey’s overall results and results specific to the judicial branch.

For further information, please contact Eileen Lawrence at (202) 512-6510, Trina Lewis at (202) 512-2990, or Latesha Love at (202) 512-4409.
## GAO’s Mission
The Government Accountability Office, the audit, evaluation and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO’s commitment to good government is reflected in its core values of accountability, integrity, and reliability.

## Obtaining Copies of GAO Reports and Testimony
The fastest and easiest way to obtain copies of GAO documents at no cost is through GAO’s Web site (www.gao.gov). Each weekday, GAO posts newly released reports, testimony, and correspondence on its Web site. To have GAO e-mail you a list of newly posted products every afternoon, go to www.gao.gov and select “Subscribe to Updates.”

### Order by Mail or Phone
The first copy of each printed report is free. Additional copies are $2 each. A check or money order should be made out to the Superintendent of Documents. GAO also accepts VISA and Mastercard. Orders for 100 or more copies mailed to a single address are discounted 25 percent. Orders should be sent to:

U.S. Government Accountability Office  
441 G Street NW, Room LM  
Washington, D.C. 20548

To order by Phone:  Voice:  (202) 512-6000  
TDD:  (202) 512-2537  
Fax:  (202) 512-6061

## To Report Fraud, Waste, and Abuse in Federal Programs
Contact:
E-mail: fraudnet@gao.gov  
Automated answering system: (800) 424-5454 or (202) 512-7470

## Congressional Relations
Gloria Jarmon, Managing Director, JarmonG@gao.gov (202) 512-4400  
U.S. Government Accountability Office, 441 G Street NW, Room 7125  
Washington, D.C. 20548

## Public Affairs
Paul Anderson, Managing Director, AndersonP1@gao.gov (202) 512-4800  
U.S. Government Accountability Office, 441 G Street NW, Room 7149  
Washington, D.C. 20548