



## Testimony

Before the Subcommittee on Early  
Childhood, Elementary, and Secondary  
Education, Committee on Education and the  
Workforce, House of Representatives

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# EARLY LEARNING AND CHILD CARE

## Overview of Federal Investment and Agency Coordination

Statement of Cindy Brown Barnes, Director, Education,  
Workforce, and Income Security

Accessible Version

Chairman Rokita, Ranking Member Polis, and Members of the Subcommittee:

I am pleased to be here to discuss the report we are issuing today on federally funded early learning and child care programs.<sup>1</sup> Millions of children age 5 and under participate each year in federally funded preschool and other early learning programs or receive federally supported child care. While parents are primarily responsible for the education and care of children who are younger than school age, a variety of factors have led to an increased demand for early learning and child care programs. For example, workforce participation among mothers with children age 5 and under has generally increased since the 1970s. In addition, initiatives to expand access to preschool have developed at the local, state, and federal level. Federal support for early learning and child care has developed gradually in response to emerging needs. Historically, early learning and child care programs existed separately with separate goals: Early learning programs focused on preparing young children for school; child care programs subsidized the cost of child care for low-income parents who worked or engaged in work-related activities. Over time, the distinction between these two types of programs has blurred somewhat as policymakers seek to make educationally enriching care available to more young children. In addition to costs paid by parents, multiple levels of government contribute funding to support early learning and child care through a loosely connected system of private and public programs.

My statement summarizes the findings from the report we issued today, which examines (1) the programs that comprise the federal investment in early learning and child care; (2) the extent to which these programs are fragmented, overlap, or are duplicative, and the efforts agencies have made to address these conditions; and (3) what is known about these programs' performance.

For our report, we used three criteria to identify relevant programs. The programs (1) funded or supported early learning or child care services, (2) were provided to children age 5 and under, and (3) delivered services in an educational or child care setting. We limited our review to programs for which federal funds were obligated in fiscal year 2015, the most recent

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<sup>1</sup>GAO, *Early Learning and Child Care: Agencies Have Helped Address Fragmentation and Overlap through Improved Coordination*, [GAO-17-463](#) (Washington, D.C.: July 13, 2017).

available obligations data at the time we conducted our work. Using the 45 programs and 5 tax expenditures in our 2012 review on this topic as a starting point, we sent questionnaires to nine agencies and one regional commission and received responses from them all. We interviewed agency officials and reviewed supplementary information to confirm that these programs and tax expenditures continued to meet all three of our criteria in fiscal year 2015, and to identify any new programs. As in our 2012 review on this topic, we considered a program to have an explicit early learning or child care purpose if, according to our analysis, early learning or child care is specifically described as a program purpose in the Catalog of Federal Domestic Assistance (CFDA) or in agency documents.<sup>2</sup> We categorized all other programs included in this review as not having an explicit early learning or child care purpose. We also included tax expenditures that could be used to subsidize families or employers for early learning or child care related expenses.<sup>3</sup> We obtained information about fiscal year 2015 program obligations from the President's budget for fiscal year 2017. We used the Department of the Treasury's (Treasury) Tax Expenditure Estimates for fiscal year 2017 to obtain information on estimated losses in revenue in fiscal year 2015 for tax expenditures.

We interviewed officials from the Departments of Education (Education) and Health and Human Services (HHS) regarding their efforts to coordinate with other agencies that administer early learning or child care programs, and examined supporting agency documentation. We compared these efforts against leading practices for agency

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<sup>2</sup>For a more detailed description of the methodology for our 2012 review, see p. 201, "How GAO Conducted Its Work," GAO, *2012 Annual Report: Opportunities to Reduce Duplication, Overlap and Fragmentation, Achieve Savings, and Enhance Revenue*, [GAO-12-342SP](#) (Washington, D.C.: Feb. 28, 2012).

<sup>3</sup>Tax expenditures are reductions in a taxpayer's tax liability that are the result of special exemptions and exclusions from taxation which include deductions, credits, deferrals of tax liability, or preferential tax rates. Tax expenditures included in this review include those that (1) fund or support early learning or child care services, (2) are obtained on behalf of children under age 5, and (3) forgo taxes so those funds can be used to purchase child care services occurring in an educational or child care setting. To identify relevant tax expenditures, we: 1) started with the list of tax expenditures in our 2012 review; 2) reviewed descriptions in the Congressional Research Service's *2014 Tax Compendium* to identify any new tax expenditures that can be used for early learning or child care; and 3) confirmed with officials from the Department of the Treasury that the tax expenditures we identified met our criteria.

collaboration.<sup>4</sup> In addition, we reviewed agency performance reports, congressional budget justifications, program studies, and other documentation. We did not conduct a separate legal review to identify and analyze relevant programs or verify the accuracy of the information agencies provided to us. A more detailed explanation of our methodology is available in our July 2017 report. The work upon which this statement is based was conducted in accordance with generally accepted government auditing standards.

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## Federal Investment in Early Learning and Child Care Includes Multiple Programs that Either Require or Permit Use of Funds for Such Services

Multiple federal programs may provide or support early learning or child care for children age 5 and under. The federal investment in early learning and child care includes three broad categories of programs:

1. *Programs with an explicit early learning or child care purpose:* For these programs, early learning or child care is specifically described as a program purpose, according to our analysis of the CFDA and agency documents.
2. *Programs without an explicit early learning or child care purpose:* These programs may provide or support early learning or child care; however, early learning or child care is not specifically described as a program purpose in the CFDA or agency documents. According to agency officials, these programs permit, but do not require, using funds for these services.
3. *Tax expenditures that subsidize child care through the tax code:* These include tax credits and exclusions that subsidize the private purchase of child care. Tax credits allow eligible individuals or employers to reduce their tax liability dollar for dollar. The credits included in this review are nonrefundable and do not offer benefits to

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<sup>4</sup>Key features of leading practices for agency collaboration fall into the following categories: outcomes and accountability; bridging organizational cultures; leadership; clarity of roles and responsibilities; participants; resources; and written guidance and agreements. See GAO, *Managing for Results: Key Considerations for Implementing Interagency Collaborative Mechanisms*, [GAO-12-1022](#) (Washington, D.C.: Sept. 27, 2012).

individuals or businesses with no tax liability.<sup>5</sup> Exclusions allow individuals to exclude certain compensation from their taxable income and generally provide larger tax savings to those taxed at higher rates. The revenue that the government forgoes through tax expenditures can be viewed as spending channeled through the tax system, which contributes to the overall federal investment.<sup>6</sup>

Within this framework, we identified 9 programs that have an explicit early learning or child care purpose and another 35 programs that do not have an explicit early learning or child care purpose. In addition to these federally funded programs, we identified three federal tax expenditures that forgo tax revenue to subsidize the private purchase of child care and adult dependent care services.<sup>7</sup> While the overall number of programs in fiscal year 2015 is similar to our 2012 review, there are several differences between the programs we included in each of the two reviews, due to such factors as programs ending or beginning in the intervening time period. (For a complete list of programs we identified that may provide or support early learning or child care and changes since our 2012 review, see figures 1 through 10 in appendix I.)

Agencies obligated approximately \$15 billion in fiscal year 2015, the most recent obligations data available at the time we conducted our review, across the nine programs with an explicit early learning or child care purpose. The vast majority of this funding is concentrated in two programs administered by HHS: Head Start and the Child Care and

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<sup>5</sup>A nonrefundable tax credit can be used to reduce current-year tax liability to zero, and a refundable credit in excess of tax liability results in a cash refund.

<sup>6</sup>GAO, *Tax Expenditures: Opportunities Exist to Use Budgeting and Agency Performance Processes to Increase Oversight*, [GAO-16-622](#) (Washington, D.C.: July 7, 2016).

<sup>7</sup>Using a similar methodology in 2012, we reported that the federal investment in early learning and child care was administered through 12 programs with an explicit early learning or child care purpose, 33 programs without such a purpose, and 5 tax expenditures. For this review, we removed 6 programs and 2 tax expenditures because they were no longer funded or we determined that they do not meet our criteria. We added 8 programs that were not part of our 2012 review for various reasons, including that some were new since 2012, or were identified by agency officials and we determined that they met our criteria. Additionally, in our 2012 report we listed each component of the Child Care and Development Fund and Community Development Block Grant separately because they were listed individually in the CFDA. However, for our 2017 review, we used the Office of Management and Budget's guidance for identifying programs and considered key benefits and services as the framework to guide our identification of programs, regardless of how the components are listed in the CFDA. Therefore, we consider the Child Care and Development Fund to be one program, rather than two. Similarly, we consider the Community Development Block Grant to be one program, rather than three.

Development Fund (CCDF). Together, these two programs comprised over 90 percent of total obligations for programs with an explicit early learning or child care purpose in fiscal year 2015. All other programs with an explicit early learning or child care purpose each obligated less than \$500 million in fiscal year 2015. Among programs without an explicit early learning or child care purpose, none require spending on early learning or child care, according to agency officials. Further, agency officials told us that they do not track the amount of funds used for early learning or child care for most of these programs, and are not required to do so.

Treasury does not estimate the amount of forgone revenue resulting specifically from tax credits or exclusions that support the care of children age 5 and under, according to agency officials. All of the tax expenditures we identified are available for the care of dependent children. The credit for child and dependent care expenses also subsidizes dependent care of individuals who are physically or mentally incapable of self-care, including adults with disabilities or who are elderly. Combined, these tax expenditures accounted for approximately \$5.4 billion of forgone federal income tax revenue in fiscal year 2015<sup>8</sup>. This amount, however, includes forgone revenue for care of children older than age 5 and dependent adults, since the available data do not distinguish children and other dependents by age.

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## Improved Agency Coordination has Helped Address Fragmentation, Overlap, and Potential Duplication

As we found in 2012, our current review identified some fragmentation, overlap, and potential duplication among early learning and child care programs.

**Fragmentation:** The federal investment in early learning and child care is fragmented in that it is administered through multiple agencies.

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<sup>8</sup>Summing tax expenditure estimates provides a sense of size but does not take into account possible interactions among individual tax expenditures and within the tax code. Total change in tax revenues from repealing all tax expenditures could differ from the sum of the estimates.

- HHS, Education, and the Department of the Interior administer programs with an explicit early learning or child care purpose.
- Five additional agencies—the Departments of Agriculture, Housing and Urban Development, Justice, Labor, and the General Services Administration—and one regional commission, the Appalachian Regional Commission, administer programs without an explicit early learning or child care purpose.
- The Internal Revenue Service at Treasury is responsible for administering federal tax expenditures.

**Overlap:** We found some overlap between early learning and child care programs, as some programs target similar beneficiaries or engage in similar activities. For example:

- Five of the nine programs with an explicit early learning or child care purpose primarily target children age 5 and under, and four programs target low-income children. Despite these general similarities, however, some of these programs target very specific populations that in some cases have limited overlap or no overlap. For example, Preschool Development Grants specifically target 4-year-olds while the Early Intervention Program for Infants and Toddlers with Disabilities targets children with disabilities from birth through age 2.
- Grantees of Head Start, Preschool Development Grants, and the Family and Child Education (FACE) program use funds for enrollment slots (spots for individual children to participate in programs on an ongoing basis), health care, and social services or transportation, according to agency officials. However, other programs with an explicit early learning or child care purpose do not fund enrollment. Instead, some programs fund additional services to aid early learning, such as special education services or evaluations.

Despite some similarities in target populations and activities, programs with an explicit early learning or child care purpose often have different goals and administrative structures. For example, the two largest programs—Head Start and CCDF—differ significantly from each other both in their goals and in how they are administered. Head Start was created in part to support children’s early development by offering comprehensive, community-based services to meet children’s multiple needs and, as such, provides federal grants directly to community-based public and private service providers. In contrast, CCDF was created to help states reduce dependence on public assistance. It provides grants to states to subsidize child care to support parents’ involvement in the

workforce. States, in turn, generally provide subgrants to counties or other local entities for distribution to parents.

HHS and Education have acknowledged some overlap among early learning and child care programs. In a November 2016 joint report to Congress, HHS and Education stated that overlap among early learning and child care programs is purposeful and necessary to meet the needs of children and parents. For instance, families can combine Head Start and CCDF, which allows families to meet children's learning needs and parents' child care needs, according to HHS officials.

Despite this overlap, there may be service gaps because these programs are not entitlements, and therefore do not serve all eligible children. For example, we reported in 2016 that an estimated 1.5 million children received CCDF subsidies, out of an estimated 8.6 million children who were eligible in their state in an average month in 2011 and 2012.<sup>9</sup>

**Duplication:** There may be potential for duplication among early learning and child care programs insofar as some programs may fund similar types of services for similar populations.

However, as we noted in our 2012 review, the extent to which actual duplication exists is difficult to assess at the federal level due to differing program eligibility requirements and data limitations.<sup>10</sup>

While the extent of potential duplication may be difficult to fully assess, some early learning and child care programs include some safeguards against duplication.

- Some programs can use funds to expand access to other programs, thus limiting the likelihood that the same beneficiaries receive the same services from more than one program. For example, Preschool

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<sup>9</sup>In the same report, we also found that it is difficult to accurately predict the extent to which families with eligible children are likely to apply for and receive subsidies. This is in part because several factors influence families' child care decisions that can make it difficult or unappealing to pursue subsidies. See GAO, *Child Care: Access to Subsidies and Strategies to Manage Demand Vary Across States*, [GAO-17-60](#) (Washington D.C.: Dec.15, 2016).

<sup>10</sup>A portion of federal support for child care is provided through funding to states, which in turn provide subsidies to low-income families. For example, federal funding for CCDF is distributed to states, not families.

Development Grants can be used to expand the capacity of Head Start to serve more eligible children.

- In addition, the tax code has limits on combining the credit for child and dependent care and the employer-provided child care exclusion.

We found that since our 2012 review of early learning and child care programs, HHS and Education have improved coordination among the agencies that administer these programs, which has helped to address potential risks regarding fragmentation, overlap, and potential duplication. As we previously reported, effective coordination can help mitigate the effects of program fragmentation and overlap and potentially help bridge service gaps.<sup>11</sup>

Based upon our analysis, the Early Learning Interagency Policy Board—HHS and Education’s inter-departmental workgroup that focuses on children from birth through age 8—has followed leading practices for interagency collaboration that we have identified. For example, HHS and Education defined outcomes for the Interagency Policy Board by setting goals, which include developing policy recommendations and improving program coordination and quality across federally funded early learning and development programs. HHS and Education have also tracked progress toward these goals. Specifically, in January 2017, the Interagency Policy Board submitted a report to the Secretaries of HHS and Education detailing its major activities and accomplishments. Further, the agencies have included relevant participants in the Interagency Policy Board. In response to needed actions we identified in 2012, HHS and Education expanded membership of the board to other agencies with early learning and child care programs.<sup>12</sup> The agencies have also documented their agreements in a memorandum of understanding and have dedicated staff time to promote the goals and activities of this inter-departmental workgroup. Additionally, they have jointly administered the Preschool Development Grants, issued joint policy statements, and coordinated training and technical assistance.

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<sup>11</sup>[GAO-12-342SP](#).

<sup>12</sup>HHS and Education expanded membership in this workgroup to high-level officials in the Department of the Interior and the Department of Agriculture (USDA). These federal agencies administer programs with an explicit purpose of early learning that targets a specific population (Interior), or complementary programs that provide direct services that support early learning programs (USDA). Other agencies that operate programs without the explicit purpose of providing early learning or child care services, such as the Departments of Housing and Urban Development, Labor, and Justice, serve as partners to the Interagency Policy Board, and are periodically invited to attend quarterly meetings.

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## Agencies Assess Performance for All Programs with an Explicit Early Learning or Child Care Purpose

Agencies assess performance for all nine programs with an explicit early learning or child care purpose, and all of these agencies collect performance information that aligns with program objectives to determine progress toward those objectives. Moreover, agency officials examine common aspects of performance for many programs with an explicit early learning or child care purpose. Specifically, we found that many programs had assessments relating to 1) results for children age 5 and under, 2) program quality or teacher qualifications, and 3) academic improvement or kindergarten readiness.

Although many of the programs with an explicit early learning or child care purpose assess common aspects of performance, the specific results agencies examine differ for a number of reasons, including:

- Agencies use different tools to assess performance, such as a single assessment across all participants or a variety of state-selected assessments;
- Some programs examine students' progress while they participate in the program, whereas others assess proficiency at a particular point in time; and
- Some programs evaluate the same cohort of children over time as they progress through later grades, even after the children stop receiving program services, while other programs gauge children's performance annually only while grantees receive funding.

Chairman Rokita, Ranking Member Polis, and Members of the Subcommittee, this concludes my prepared statement. I would be happy to answer any questions you might have.

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## GAO Contact and Staff Acknowledgments

If you or your staff have any questions about this testimony, please contact me at (202) 512-7215 or [brownbarnesc@gao.gov](mailto:brownbarnesc@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this statement. GAO staff who made key contributions to this testimony include Rebecca Woiwode and Hedieh Fusfield. Additional assistance was provided by Kirsten Lauber, Benjamin T. Licht, Mimi Nguyen, Jessica Orr, James Rebbe, and Sarah Veale.

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# **Appendix I: Update of Programs and Tax Expenditures that May Provide or Support Early Learning or Child Care**

**Agencies that Administer Programs With and Without an Explicit  
Early Learning or Child Care Purpose**

**Appendix I: Update of Programs and Tax Expenditures that May Provide or Support Early Learning or Child Care**

**Figure 1: Department of Education Programs that May Provide or Support Early Learning or Child Care (as of Fiscal Year 2015), Using Programs GAO Identified in 2012 Report as a Baseline**

<u>Program Title</u>	<u>Changes from 2012 list of early learning and child care programs</u>	<u>Explicit early learning or child care purpose?</u>	<u>Rationale for adding or removing program</u>
<b>Department of Education</b>			
Alaska Native Educational Programs	✓	□	—
Child Care Access Means Parents in School	✓	■	—
Early Intervention Program for Infants and Toddlers with Disabilities <sup>a</sup>	✓	■	—
Education for Homeless Children and Youth	✓	□	—
English Language Acquisition Grants	✓	□	—
Full-Service Community Schools	✓	□	—
Indian Education-Grants to Local Educational Agencies <sup>b</sup>	✓	□	—
Indian Education-Special Programs for Indian Children	✓	□	—
Migrant Education-State Grant Program	✓	□	—
Native Hawaiian Education	✓	□	—
Preschool Development Grants <sup>c</sup>	+	■	New program as of fiscal year 2014
Preschool Grants for Children with Disabilities <sup>d</sup>	✓	■	—
Promise Neighborhoods <sup>e</sup>	✓	■	—
Race to the Top-Early Learning Challenge	-	■	Not funded in fiscal year 2015
School Improvement Grants <sup>f</sup>	+	□	Program added early learning focus as of fiscal year 2015
Special Education-Grants to States	✓	□	—
Special Education-State Personnel Development	✓	□	—
Special Education-Technology and Media Services for Individuals with Disabilities	-	□	Program does not currently fund or support early learning or child care
State Fiscal Stabilization Fund-Education State Grants, Recovery Act	-	■	Not funded in fiscal year 2015
Striving Readers Comprehensive Literacy	✓	■	—
Title I Grants to Local Educational Agencies	✓	□	—

**Legend:** ✓ = Remained on list    + = Added to list    - = Removed from list    ■ = Yes    □ = No    — = Not applicable

Source: GAO analysis of federal agency responses to GAO questionnaire and agency documents and GAO, *2012 Annual Report: Opportunities to Reduce Duplication, Overlap and Fragmentation, Achieve Savings, and Enhance Revenue*, GAO-12-342SP (Washington, D.C.: Feb. 28, 2012). | GAO-17-671T

<sup>a</sup>In our 2012 review, we listed this program as Special Education-Grants for Infants and Families.

<sup>b</sup>In our 2012 review, we identified the Indian Education-Grants to Local Educational Agencies as having an explicit early learning or child care purpose. According to officials from the Department of

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Education (Education), this program permits funds to be used for early learning or child care, but this is not a required component of the program. According to our analysis of the Catalog of Federal Domestic Assistance (CFDA) and agency documents, services provided through this program are not targeted to children age 5 and under, insofar as they include activities such as after-school programs, tutoring, and drop-out prevention. We therefore identified the program as not having an explicit early learning or child care purpose in this review.

<sup>c</sup>The Every Student Succeeds Act, which was signed into law in December 2015, authorized a Preschool Development Grants program to be administered by HHS, jointly with Education. Pub. L. No. 114-95, § 9212, 129 Stat. 1802, 2152 (2015). Previously, the program had been authorized through appropriations language and was funded through Education, and was jointly administered by HHS and Education.

<sup>d</sup>In our 2012 review, we listed this program as Special Education-Preschool Grants.

<sup>e</sup>In 2012, we did not classify Promise Neighborhoods as a program with an explicit early learning or child care purpose because early learning or child care was not listed as a specific purpose in the program materials we reviewed. We changed the classification of this program to one that has an explicit early learning or child care purpose because “building a complete continuum of cradle-through-college-to-career solutions” is described as one of the purposes of the program in the Federal Register.

<sup>f</sup>The Every Student Succeeds Act eliminated the School Improvement Grants program. However, according to Education, consistent with the transition provisions of this Act and the Department of Education Appropriations Act, 2016, Education made a final round of School Improvement Grant awards for fiscal year 2016.

**Figure 2: Department of Health and Human Services Programs that May Provide or Support Early Learning or Child Care (as of Fiscal Year 2015), Using Programs GAO Identified in 2012 Report as a Baseline**

<u>Program Title</u>	<u>Changes from 2012 list of early learning and child care programs</u>	<u>Explicit early learning or child care purpose?</u>	<u>Rationale for adding or removing program</u>
<b>Department of Health and Human Services</b>			
Child Care and Development Fund <sup>a</sup>	✓	■	—
Community Services Block Grant	✓	□	—
Head Start	✓	■	—
Social Services Block Grant	✓	□	—
Temporary Assistance for Needy Families	✓	□	—

**Legend:**

✓ = Remained on list   ■ = Yes   □ = No   — = Not applicable

Source: GAO analysis of federal agency responses to GAO questionnaire and agency documents and GAO, *2012 Annual Report: Opportunities to Reduce Duplication, Overlap and Fragmentation, Achieve Savings, and Enhance Revenue*, GAO-12-342SP (Washington, D.C.: Feb. 28, 2012). | GAO-17-671T

<sup>a</sup>The Child Care and Development Fund (CCDF) consists of two funding sources: mandatory and matching funding authorized under section 418 of the Social Security Act, and discretionary funding authorized under the Child Care and Development Block Grant Act of 1990, as amended. In addition, states may transfer up to 30 percent of their allotment under Temporary Assistance for Needy Families (TANF) to CCDF. States operate subsidy programs using these two funding sources as one program, according to HHS officials. In our 2012 report, we listed each of these components separately because they are listed individually in the Catalog of Federal Domestic Assistance (CFDA). However, for our current review, we considered key benefits and services as the framework to guide our identification of programs, regardless of how the components are listed in the CFDA.

**Appendix I: Update of Programs and Tax Expenditures that May Provide or Support Early Learning or Child Care**

**Figure 3: Department of the Interior Programs that May Provide or Support Early Learning or Child Care (as of Fiscal Year 2015), Using Programs GAO Identified in 2012 Report as a Baseline**

<u>Program Title</u>	<u>Changes from 2012 list of early learning and child care programs</u>	<u>Explicit early learning or child care purpose?</u>	<u>Rationale for adding or removing program</u>
<b>Department of the Interior</b>			
Family and Child Education (FACE)	✓	■	—
Indian Child Welfare Act Title II Grants	✓	□	—
Indian Education-Assistance to Schools <sup>a</sup>	✓	□	—

= Remained on list   
  = Yes   
  = No   
 — = Not applicable

Source: GAO analysis of federal agency responses to GAO questionnaire and agency documents and GAO, *2012 Annual Report: Opportunities to Reduce Duplication, Overlap and Fragmentation, Achieve Savings, and Enhance Revenue*, GAO-12-342SP (Washington, D.C.: Feb. 28, 2012). | GAO-17-671T

<sup>a</sup>This program is also known as Johnson-O'Malley Assistance Grants.

**Agencies that Administer Programs Without an Explicit Early Learning or Child Care Purpose**

**Figure 4: Appalachian Regional Commission Program that May Provide or Support Early Learning or Child Care (as of Fiscal Year 2015), Using Programs GAO Identified in 2012 Report as a Baseline**

<u>Program Title</u>	<u>Changes from 2012 list of early learning and child care programs</u>	<u>Rationale for adding or removing program</u>
<b>Appalachian Regional Commission</b>		
Appalachian Area Development	✓	—

Legend:

= Remained on list   
 — = Not applicable

Source: GAO analysis of federal agency responses to GAO questionnaire and agency documents and GAO, *2012 Annual Report: Opportunities to Reduce Duplication, Overlap and Fragmentation, Achieve Savings, and Enhance Revenue*, GAO-12-342SP (Washington, D.C.: Feb. 28, 2012). | GAO-17-671T

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**Figure 5: Department of Agriculture Programs that May Provide or Support Early Learning or Child Care (as of Fiscal Year 2015), Using Programs GAO Identified in 2012 Report as a Baseline**

<u>Program Title</u>	<u>Changes from 2012 list of early learning and child care programs</u>	<u>Rationale for adding or removing program</u>
<b>Department of Agriculture</b>		
Child and Adult Care Food Program	✓	—
Fresh Fruit and Vegetables Program	+	Program identified by agency officials
National School Lunch Program	✓	—
School Breakfast Program	✓	—
Special Milk Program for Children	✓	—

**Legend:**

✓ = Remained on list    + = Added to list    — = Not applicable

Source: GAO analysis of federal agency responses to GAO questionnaire and agency documents and GAO, *2012 Annual Report: Opportunities to Reduce Duplication, Overlap and Fragmentation, Achieve Savings, and Enhance Revenue*, GAO-12-342SP (Washington, D.C.: Feb. 28, 2012). | GAO-17-671T

**Figure 6: General Services Administration Programs that May Provide or Support Early Learning or Child Care (as of Fiscal Year 2015), Using Programs GAO Identified in 2012 Report as a Baseline**

<u>Program Title</u>	<u>Changes from 2012 list of early learning and child care programs</u>	<u>Rationale for adding or removing program</u>
<b>General Services Administration</b>		
Donation of Federal Surplus Personal Property	✓	—
The General Services Administration's Child Care Program <sup>a</sup>	-	Benefit for limited number of federal employees; not in the Catalog of Federal Domestic Assistance

**Legend:**

✓ = Remained on list    - = Removed from list    — = Not applicable

Source: GAO analysis of federal agency responses to GAO questionnaire and agency documents and GAO, *2012 Annual Report: Opportunities to Reduce Duplication, Overlap and Fragmentation, Achieve Savings, and Enhance Revenue*, GAO-12-342SP (Washington, D.C.: Feb. 28, 2012). | GAO-17-671T

<sup>a</sup>In 2012, we noted that the General Services Administration's Child Care Program had an explicit early learning or child care purpose. We determined that this program is out of the scope of our current review because it is a benefit for a limited number of federal employees and not listed in the CFDA.

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**Figure 7: Department of Housing and Urban Development Programs that May Provide or Support Early Learning or Child Care (as of Fiscal Year 2015), Using Programs GAO Identified in 2012 Report as a Baseline**

<u>Program Title</u>	<u>Changes from 2012 list of early learning and child care programs</u>	<u>Rationale for adding or removing program</u>
<b>Department of Housing and Urban Development</b>		
Choice Neighborhoods	+	Program identified by agency officials
Community Development Block Grant <sup>a</sup>	✓	—
Jobs-Plus Pilot Initiative	+	Program identified by agency officials

**Legend:**

✓ = Remained on list    + = Added to list    — = Not applicable

Source: GAO analysis of federal agency responses to GAO questionnaire and agency documents and GAO, *2012 Annual Report: Opportunities to Reduce Duplication, Overlap and Fragmentation, Achieve Savings, and Enhance Revenue*, GAO-12-342SP (Washington, D.C.: Feb. 28, 2012). | GAO-17-671T

<sup>a</sup>The Community Development Block Grant comprises Entitlement Grants, Special Purpose Grants/Insular Areas, and State Program and Non-Entitlement Grants in Hawaii. In our 2012 report, we listed each of these components separately because they are listed individually in the CFDA. However, for our current review, we considered key benefits and services as the framework to guide our identification of programs, regardless of how the components are listed in the CFDA.

**Figure 8: Department of Justice Programs that May Provide or Support Early Learning or Child Care (as of Fiscal Year 2015), Using Programs GAO Identified in 2012 Report as a Baseline**

<u>Program Title</u>	<u>Changes from 2012 list of early learning and child care programs</u>	<u>Rationale for adding or removing program</u>
<b>Department of Justice</b>		
Children and Youth Exposed to Violence	-	Program does not currently fund or support early learning or child care
Defending Childhood/Children's Exposure to Violence <sup>a</sup>	+	Program replaced the Reduction and Prevention of Children's Exposure to Violence (Safe Start) program
Reduction and Prevention of Children's Exposure to Violence (Safe Start) <sup>a</sup>	-	Program was replaced by the Defending Childhood/Children's Exposure to Violence program
Transitional Housing Assistance for Victims of Domestic Violence, Dating Violence, Stalking, or Sexual Assault	✓	—

**Legend:**

- = Removed from list    + = Added to list    ✓ = Remained on list    — = Not applicable

Source: GAO analysis of federal agency responses to GAO questionnaire and agency documents and GAO, *2012 Annual Report: Opportunities to Reduce Duplication, Overlap and Fragmentation, Achieve Savings, and Enhance Revenue*, GAO-12-342SP (Washington, D.C.: Feb. 28, 2012). | GAO-17-671T

<sup>a</sup>In our 2012 report, we listed this program as the Reduction and Prevention of Children's Exposure to Violence (Safe Start) program. The Department of Justice has since replaced the Reduction and Prevention of Children's Exposure to Violence (Safe Start) program with the Defending Childhood/Children's Exposure to Violence program.

**Appendix I: Update of Programs and Tax Expenditures that May Provide or Support Early Learning or Child Care**

**Figure 9: Department of Labor Programs that May Provide or Support Early Learning or Child Care (as of Fiscal Year 2015), Using Programs GAO Identified in 2012 Report as a Baseline**

<u>Program Title</u>	<u>Changes from 2012 list of early learning and child care programs</u>	<u>Rationale for adding or removing program</u>
<b>Department of Labor</b>		
National Farmworker Jobs Program	✓	—
Native American Employment and Training	✓	—
Workforce Innovation and Opportunity Act Adult Program <sup>a</sup>	✓	—
Workforce Innovation and Opportunity Act Dislocated Worker Program <sup>b</sup>	✓	—
Workforce Innovation and Opportunity Act Youth Activities	+	Program identified by agency officials
YouthBuild	+	Program identified by agency officials

**Legend:**

✓ = Remained on list    + = Added to list    — = Not applicable

Source: GAO analysis of federal agency responses to GAO questionnaire and agency documents and GAO, *2012 Annual Report: Opportunities to Reduce Duplication, Overlap and Fragmentation, Achieve Savings, and Enhance Revenue*, GAO-12-342SP (Washington, D.C.: Feb. 28, 2012). | GAO-17-671T

<sup>a</sup>This program was listed as the Workforce Investment Act Adult Program in our 2012 report. The program's name changed as a result of the Workforce Innovation and Opportunity Act, which amended the previous law in 2014.

<sup>b</sup>This program was listed as the Workforce Investment Act Dislocated Worker Formula Grants in our 2012 report. The program's name changed as a result of the Workforce Innovation and Opportunity Act, which amended the previous law in 2014.

**Appendix I: Update of Programs and Tax Expenditures that May Provide or Support Early Learning or Child Care**

**Tax Expenditures**

**Figure 10: Department of the Treasury Child Care-Related Tax Expenditures (as of Fiscal Year 2015), Using Tax Expenditures GAO Identified in 2012 Report as a Baseline**

<u>Program Title</u>	<u>Changes from 2012 list of early learning and child care programs</u>	<u>Rationale for adding or removing program</u>
<b>Department of Treasury - Tax Expenditures</b>		
Credit for child and dependent care expenses	✓	—
Employer-provided child care credit <sup>a</sup>	✓	—
Employer-provided child care exclusion <sup>b</sup>	✓	—
Exclusion of benefits provided under cafeteria plans <sup>c</sup>	—	According to Treasury officials, revenue loss associated with child care through cafeteria plans is the employer-provided child care exclusion
Exclusion of income earned by voluntary employees' beneficiary associations	—	Does not reimburse families or employers for expenses they incur to purchase early learning or child care services

**Legend:**

✓ = Remained on list    
 — = Removed from list    
 — = Not applicable

Source: GAO analysis of federal agency responses to GAO questionnaire and agency documents and GAO, *2012 Annual Report: Opportunities to Reduce Duplication, Overlap and Fragmentation, Achieve Savings, and Enhance Revenue*, GAO-12-342SP (Washington, D.C.: Feb. 28, 2012). | GAO-17-671T

Note: The tax provisions listed in this figure are not exclusively available for the care of children age 5 and under. The credit for child and dependent care expenses may also cover the dependent care for individuals who are physically or mentally incapable of self-care, including adults with disabilities or who are elderly. In our 2012 report on this topic, we listed the names of tax expenditures as they appeared in the Congressional Research Service's 2010 Tax Compendium. For our current review, we list the names of these tax provisions as they appear in the Department of the Treasury's (Treasury) Tax Expenditure Estimates for fiscal year 2017.

<sup>a</sup>In our 2012 report, we listed this tax expenditure as the credit for employer-provided child care.

<sup>b</sup>This tax expenditure is also known as the dependent care assistance program exclusion. In our 2012 report, we listed this tax expenditure as the exclusion of employer-provided child and dependent care. For the purposes of this report we will refer to this tax expenditure as the employer-provided child care exclusion, which is how it is referred to in Treasury's Tax Expenditure Estimates.

<sup>c</sup>The exclusion of benefits provided under cafeteria plans includes revenue used for health insurance and other benefits, in addition to dependent care. According to Treasury officials, estimates for various benefits under cafeteria plans are reported separately by budget function (e.g., healthcare). Revenue loss associated with child care through cafeteria plans is the employer-provided child care exclusion.

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