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December 14, 2021

The Honorable Jack Reed
Chairman
The Honorable James M. Inhofe
Ranking Member
Committee on Armed Services
United States Senate

The Honorable Adam Smith
Chairman
The Honorable Mike Rogers
Ranking Member
Committee on Armed Services
House of Representatives

MILITARY CHILD CARE: Potential Costs and Impacts of Expanding Off-Base Child Care Assistance for Children of Deceased Servicemembers

The Department of Defense (DOD) considers its child care program, which includes on-base and off-base child care for military families, a workforce support that directly affects military force readiness, efficiency, and retention. Most of the children in DOD's child care programs are cared for in subsidized child development centers on military bases. When military families cannot access on-base child care due to geographic distance or because there are no openings, DOD subsidizes the cost of off-base care through its fee assistance program. According to DOD officials, this program offers fee assistance to offset the additional cost of off-base care and reduces out-of-pocket expenses for families. In fiscal year 2019, DOD spent more than \$90 million to subsidize off-base child care fees for about 36,000 children.

The William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 (NDAA) includes a provision for GAO to review the implications of expanding fee assistance for off-base providers of child care services to survivors of members of the Armed Forces who die in non-combat related incidents in the line of duty.¹ Currently, only the survivors of servicemembers who die in combat-related incidents are eligible to receive fee assistance for child care.²

¹Pub. L. No. 116-283, tit. VI, § 629, 134 Stat. 3388, 3680 (2021). For purposes of this report, we use "active duty" as a proxy for "in the line of duty" due to inconsistent definitions of the term across the military service branches. The reporting requirement in the NDAA also refers to financial assistance to civilian providers of youth program services. Although our report includes information on child care services for children from birth through age 12, we do not include information on DOD youth recreation and enrichment programs. This is consistent with DOD's reporting on child care services in response to requirements in the National Defense Authorization Act for Fiscal Year 2020 and related committee reports. See DOD, *Report to the Congressional Defense Committees on Department of Defense Child Development Programs* (Washington, D.C.: June 5, 2020).

²10 U.S.C. § 1798(a). Throughout this report, we use the term children to refer to children by birth or adoption, as well as other dependents, such as foster children.

This report describes (1) the estimated costs of expanding fee assistance for off-base child care services to children of servicemembers who die in noncombat-related incidents and factors that drive those costs, and (2) the reported potential effects of such an expansion on the availability of off-base child care services for children of active duty servicemembers.

To address these questions, we used several methods. We analyzed data from DOD's Defense Manpower Data Center on servicemember deaths and children of deceased servicemembers for fiscal years 2009 through 2020 across the four military service branches: Army, Navy, Marine Corps, and Air Force.³ We assessed the reliability of these data by interviewing DOD officials, reviewing related documentation, and conducting data testing. We determined these data were sufficiently reliable for the purpose of presenting summary data on servicemember deaths and children, as well as estimating potential costs of providing child care fee assistance in fiscal year 2020 for children of servicemembers who died in noncombat-related incidents. In addition, we analyzed data on fee assistance applicants and participants from the military service branches and Child Care Aware of America (CCAoA), the third-party administrator of the fee assistance program, as well as published DOD data on fee assistance costs for fiscal year 2019.⁴ We assessed the reliability of these data by interviewing DOD and CCAoA officials and reviewing related documentation. We determined these data were sufficiently reliable for the purpose of presenting summary data on fee assistance applicants and participants, as well as estimating potential costs.

We interviewed officials from DOD's Office of Military Family Readiness Policy in the Office of the Deputy Assistant Secretary of Defense for Military Community and Family Policy, and representatives of CCAoA. Additionally, we interviewed officials from the Army and Navy, the service branches which manage contracts with the fee assistance administrator, and obtained written responses to our information requests from the Air Force and Marine Corps. We also reviewed relevant federal laws and regulations, as well as reports from GAO, DOD, and the Congressional Research Service (CRS).

We conducted this performance audit from April 2021 to December 2021 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

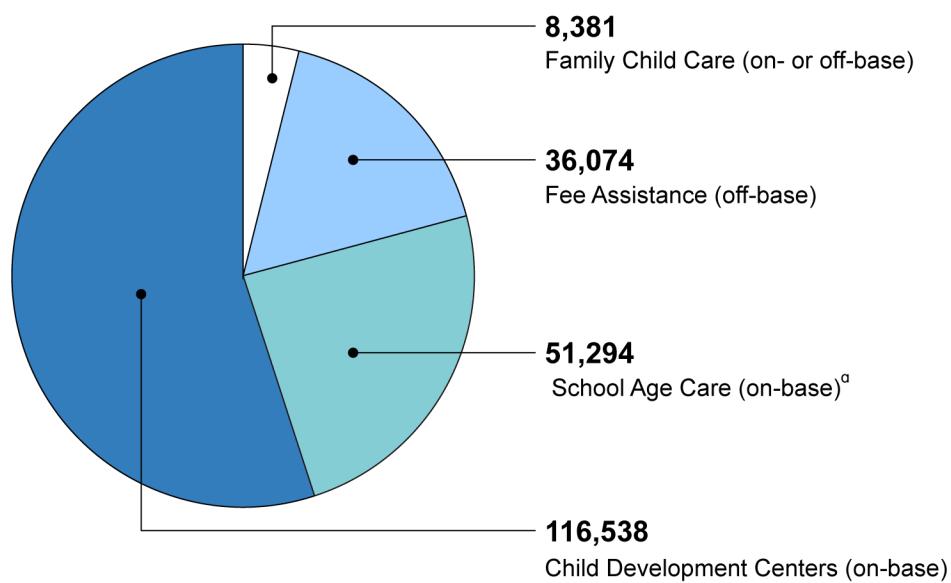
³The National Defense Authorization Act for Fiscal Year 2020 established the United States Space Force as a military service branch within the Department of the Air Force, which is under DOD. Pub. L. No. 116-92, tit. IX, § 952, 133 Stat. 1198, 1562 (2019). We did not gather data from the Space Force given its status as a new organization. Further, we excluded the Coast Guard—which is a branch of the armed forces that is part of the Department of Homeland Security—from the scope of our review, because its child care program is separately administered. Throughout this report we refer only to four military service branches within DOD.

⁴To calculate our cost estimate and to describe general trends in fee assistance participation, we use data from fiscal year 2019. Due to the influence of the Coronavirus Disease 2019 (COVID-19) pandemic, we considered fiscal year 2020 data potentially less representative of typical child care costs and participation.

Background

The fee assistance program is one of multiple DOD child care programs and offers families the option of pursuing off-base care when on-base care is not available. Child care services are offered from birth through age 12 in a variety of on- and off-base settings (see fig. 1).⁵ The fee assistance program is administered by CCAoA, a private contractor that helps families find qualified child care providers and, once a child is placed, pays military subsidies directly to the provider. Providers must meet DOD requirements for child care, which include national accreditation, state licensure, an annual licensing-agency inspection, and employee background checks.

Figure 1: Children Served by Department of Defense Child Care Programs in Fiscal Year 2019



Source: Department of Defense data. | GAO-22-105186

^aThe School Age Care program for children includes both on-base and off-base care; however, these data reflect only children served in on-base facilities, according to DOD officials.

According to DOD policy, eligibility for child care assistance on- or off-base is contingent on the status of the child's sponsor and their spouse, when applicable.⁶ DOD policy defines sponsors to include, among others, servicemembers, DOD civilian employees, and surviving spouses of servicemembers who died in a combat-related incident.⁷ Once a sponsor is determined to be

⁵DOD offers home-based care through its Family Child Care program. The majority of providers are military spouses and may offer unique full-time child care arrangements such as shift care or 24/7 care. According to DOD officials, DOD offers School Age Care (SAC) for children in kindergarten through sixth grade, which includes care before and after school, on non-school days, as well as during summer vacation. SAC providers include DOD youth centers, DOD child development centers, home-based providers, and off-base facilities.

⁶Department of Defense Instruction 6060.02, *Child Development Programs*, (Aug. 5, 2014) (incorporating change 2, effective Sept. 1, 2020).

⁷According to DOD officials, a death is considered combat related if it is experienced during or while traveling to or from a hostile event.

eligible for child care assistance, DOD determines priority for care based on their working status and other characteristics. For example, active-duty servicemember families are largely given priority for child care placement over civilian families.⁸

All military service branches calculate their fee assistance subsidy for off-base child care providers by subtracting the rate a family would pay for on-base child care—which varies depending on total family income—from the rate charged by the off-base provider, up to a set provider rate cap per child per month, according to DOD officials. While the calculation is standard, the off-base provider rate cap for the subsidy has varied by military branch and location. For example, in fiscal year 2021, Army's cap was \$1,500 per month, while the three other service branches, Navy, Marine Corps, and Air Force, had a cap of \$1,100 per month for a standard-cost area and \$1,300 per month for a high-cost area. Starting in fiscal year 2022, however, DOD will phase in changes to standardize and raise the monthly provider rate caps across service branches.⁹ Families are responsible for paying any fee amount remaining after the subsidy directly to the provider.

Estimated Cost of Expanding Child Care Fee Assistance Likely Is Minimal, but Depends on Several Factors

According to our analysis of DOD data, we estimated that the cost of providing child care fee assistance in fiscal year 2020 for children of servicemembers who died in noncombat-related incidents could have ranged from approximately \$1.3 million to \$6.4 million (see table 1).¹⁰ This would have represented an increase of about 1 to 7 percent of DOD's fiscal year 2019 fee assistance costs for off-base child care. Estimated costs are expressed as a range to account for variations in the cost of child care due to cost-of-living differences by location. For example, a higher concentration of children of deceased servicemembers in high-cost areas could result

⁸The priority system is organized into three primary categories. Priority 1 patrons are given the greatest priority and consist of Child Development Program direct care staff and servicemembers in single- or dual-earner families. Priority 2 patrons consist of DOD civilians in single- or dual-earner families, and Priority 3 patrons consist of additional eligible patrons, such as Gold Star spouses and DOD contractors, that may be considered once all Priority 1 and 2 patrons have been placed into care. Priority 2 and 3 families can be supplanted in cases where a Priority 1 servicemember family is in need of care and the wait time exceeds 45 days.

⁹Specifically, in fiscal year 2022, the Navy and Air Force will increase their monthly fee assistance provider rate cap to \$1,500 per child per month, the same amount as the Army's provider rate cap, according to DOD officials. In fiscal year 2023, all of the military service branches plan to increase their monthly provider rate caps to \$1,700 per child per month. Although increasing the cap could increase the amount of fee assistance paid in some instances, the amount of care subsidized depends on multiple factors, including the actual cost of care and cost of on-base care DOD would have otherwise covered.

¹⁰To calculate this estimate, we used "active duty" as a proxy for "in the line of duty." DOD officials told us there are inconsistent definitions of the term across military service branches, as well as a lack of timely and reliable data on "in the line of duty" status. In general, deaths due to a servicemember's own misconduct are not considered to have occurred in the line of duty, so using data on active-duty deaths may slightly overstate the number of dependents eligible for fee assistance.

We also used data on non-hostile deaths and deaths not associated with overseas contingency operations as a proxy for noncombat deaths. The definition of a contingency operation in 10 U.S.C. § 101(a)(13) includes any Secretary of Defense-designated military operation "in which members of the armed forces are or may become involved in military actions, operations, or hostilities against an enemy of the United States or against an opposing military force."

Our estimates assume children will use fee assistance for 2.5 years, the average amount of time children were enrolled in fee assistance in fiscal year 2019, according to CCAoA data. Our estimate does not account for additional contract fees, which DOD officials said can be substantial.

in higher program costs overall. Based on our analysis of fiscal year 2009 through fiscal year 2020 data, we estimated that in fiscal year 2020, 3,552 children of servicemembers who died in noncombat-related incidents could have been eligible for fee assistance.¹¹ This would have represented 10 percent of children served by the fee assistance program in fiscal year 2019. (See enclosure I for a more detailed discussion of our methods and limitations for this estimate.)

Table 1: Estimated Number of Children of Servicemembers Who Died in Noncombat-Related Incidents Who Could Have Been Eligible for Fee Assistance in Fiscal Year 2020 and Estimated Fee Assistance Costs, by Service Branch

Service branch	Estimated number of children of servicemembers who died in noncombat-related incidents who could have been eligible for fee assistance in fiscal year 2020	Estimated minimum cost of providing these children fee assistance in fiscal year 2020	Estimated maximum cost of providing these children fee assistance in fiscal year 2020
Army	1,797	\$514,000	\$3,660,000
Navy	665	\$331,000	\$939,000
Air Force	592	\$208,000	\$984,000
Marine Corps	498	\$202,000	\$796,000
Total	3,552	\$1,255,000	\$6,379,000

Source: GAO analysis of Department of Defense (DOD) and Child Care Aware of America data and published DOD information on minimum and maximum monthly average fee assistance costs. | GAO-22-105186

Note: To calculate our estimate of the cost of providing fee assistance to children of servicemembers who died in noncombat-related incidents in fiscal year 2020, we determined the number of children of active-duty servicemembers who died in noncombat-related incidents who were age 12 and under in fiscal year 2020. We multiplied these totals by the minimum and maximum average cost of providing fee assistance in fiscal year 2019. We scaled these results to account for the average length of time children spent in the fee assistance program according to fiscal year 2019 data. Our estimate does not account for additional contract fees.

In addition to location, the actual costs of expanding fee assistance eligibility to the dependents of servicemembers who die in noncombat-related incidents could vary from our estimated cost range due to other factors. For instance, the number of children of servicemembers who die in noncombat-related incidents who receive fee assistance may ultimately be lower than the estimated number of eligible participants. According to data and statements provided by the military service branches, very few of the children of servicemembers who died in combat-related incidents—a group which could be comparable to children of servicemembers who die in noncombat-related incidents—receive child care fee assistance. For example, of the nearly 19,000 children participating in Army fee assistance in fiscal year 2020, 21 were children of servicemembers who died in combat-related incidents. Further, children in this group represented less than 1 percent of new enrollments in the fee assistance program for fiscal years 2019 and 2020, based on our analysis of CCAoA data.¹²

¹¹To account for any children who would have been 12 or younger in fiscal year 2020, we examined data on servicemember deaths from a 12-year period.

¹²Overall, based on our analysis of DOD data over the last 5 years, the number of dependents of active-duty servicemembers who died in combat-related deaths ranged from 1,780 in 2016 (of 1,315 servicemembers), decreasing each year to 830 in 2020 (of 634 servicemembers).

Overall, actual costs would be driven by several key factors:

- **Number of servicemembers who die in noncombat-related incidents who have children.** In fiscal year 2020, 238 servicemembers died in noncombat-related incidents who had children who could have been eligible for fee assistance,¹³ and there were 398 children age 12 or under associated with servicemembers who died in noncombat-related incidents in fiscal year 2020, according to our analysis of DOD data.¹⁴ (See enclosure II for additional data on the number of servicemembers who died in noncombat-related incidents and had children who could have been eligible for fee assistance over the last 5 years and the number of children associated with such servicemembers.) The composition of servicemembers' families is subject to change over time. From fiscal year 2000 through fiscal year 2019, the percentage of active-duty servicemembers with children across all statuses (single, married, and dual-military spouses) decreased by 8.7 percentage points, according to DOD data.¹⁵
- **Age of children and length of their enrollment in the fee assistance program.** Although a child's age is not a factor in calculating fee assistance, provider rates are likely to be higher for younger children who are not yet school aged, and therefore, the amount of fee assistance used may be greater. According to DOD, infant and toddler care is the department's most expensive and in-demand category of child care across the nation.¹⁶ For example, in the case of Army fee assistance, families of active-duty Army servicemembers with a child who was not yet school aged received greater amounts of fee assistance—an average \$531 per month per child—than those with a school-age child—an average \$365 per month per child—in January 2021, the most recent data at the time of our analysis.

According to DOD officials, the length of time that children are enrolled in child care can vary based on factors such as the age at which they enter the program. Children were enrolled in the fee assistance program, on average, for 2.5 years, according to CCAoA fiscal year 2019 data. As children reach school age, the demand for child care may lessen, and families may not require fee assistance to the same extent or consistently throughout the year, according to DOD officials. Eighty-three percent of children participating in the fee assistance program were younger than school aged, according to

¹³Servicemembers who died of non-war-related deaths between 2016 and 2021 generally died as the result of an accident, self-inflicted wounds, or illness, according to an analysis by CRS. CRS, *Trends in Active-Duty Military Deaths Since 2006* (Washington, D.C.: May 17, 2021).

¹⁴These data refer only to servicemembers who died in fiscal year 2020 and only children who could have been eligible for fee assistance in that year. Servicemembers who died in non-combat-related incidents but who did not have children who could have been eligible for fee assistance, as well as servicemembers who had children who could have been eligible for fee assistance but who died in prior years are excluded.

¹⁵DOD, Office of the Deputy Assistant Secretary of Defense for Military Community and Family Policy, 2019 *Demographics: Profile of the Military Community*.

¹⁶The higher costs of infant care is, in part, attributable to licensing requirements that child care providers maintain a lower ratio of children-to-staff and a smaller maximum group size for younger age groups, according to DOD. DOD policy requires lower minimum child-to-staff ratios and smaller maximum group sizes for younger age groups, compared to older age groups. DODI 6060.02, Enclosure 3, paragraph 14, Table 3.

our analysis of CCAoA fiscal year 2019 data. DOD officials said families may also leave the fee assistance program if relocating or if on-base care becomes available.¹⁷

- **Awareness of the program.** Some DOD officials said that servicemembers who are geographically separated from military bases or who have only recently been activated may lack awareness of the fee assistance program.¹⁸ However, DOD officials said outreach has been expanded in recent years. For example, some of the service branches are starting to use the MilitaryChildCare.com web portal so families can more easily sign up for the fee assistance program.¹⁹
- **Priority ranking.** As noted earlier, DOD policy is designed to give military families the highest priority for care after DOD child care staff, which could limit the participation and subsequent cost of serving lower-priority families. One senior official from DOD's Office of Military Family Readiness Policy explained that families who are eligible for fee assistance but have a lower priority ranking may not always receive fee assistance, particularly in high demand areas. According to this official, families of servicemembers who die in noncombat-related incidents would most likely receive Priority 3 ranking—the lowest rank—the same as families of servicemembers who die in combat-related incidents.
- **Need for and availability of off-base care.** Some families may not need fee assistance or may be unable or unwilling to find providers who meet program requirements, deterring their participation and lowering the cost to serve these families. Some families choose to care for their children themselves and do not need child care, and DOD officials said some families have a child care provider that does not meet DOD program requirements and do not want to switch to one that does. Finally, some families may struggle to find providers which meet DOD requirements, according to DOD officials.²⁰ To increase the number of available providers, DOD has piloted an initiative in three states that enables providers that are not yet accredited but meet states' quality rating standards to participate in the fee assistance program, according to DOD officials.²¹

¹⁷Families of servicemembers who die while their children are enrolled in on-base DOD child care are eligible to use on-base child care until children age out of the program, according to DOD officials.

¹⁸Prior GAO work found servicemembers, especially members of the National Guard and reserve, lacked awareness of the fee assistance program, and some misperceived that the program was needs-based and limited to low-income families. GAO, *Military Child Care: DOD Is Taking Actions to Address Awareness and Availability Barriers*, GAO-12-21 (Washington, D.C.: February 2012).

¹⁹The Navy and Marine Corps began using MilitaryChildCare.com for fee assistance enrollment in March 2021. According to DOD officials, the Air Force will begin using MilitaryChildCare.com to capture the child care fee assistance need in early fiscal year 2022 and plans for the Army fee assistance program are still to be determined.

²⁰According to DOD, the service branches first seek accredited care on behalf of families. When accredited care is not available, DOD stated that the service branches may waive this quality requirement and permit families to receive fee assistance in programs that are licensed only.

²¹DOD officials said that Maryland, Nevada, and Virginia are currently participating in DOD's Military Child Care in Your Neighborhood PLUS initiative, which extends eligibility to providers participating in the state child care quality rating and improvement system. According to DOD officials, DOD plans to expand the initiative to additional states with a high population of military families who are in need of fee assistance in fiscal year 2022.

- **Cost of off-base care.** Provider rates for the off-base child care selected by program participants influence costs. Fee assistance covers the cost of care up to a monthly provider rate cap, and families using more expensive care options may be more likely to reach that cap. Child care costs vary by location and the level of quality of care (e.g., whether a provider is accredited), according to DOD data and officials.
- **Income of servicemembers' families.** The income of those surviving families who participate in fee assistance will influence costs. The amount of fee assistance a family qualifies for depends, in part, on total family income. Lower income families may qualify for higher amounts of fee assistance, assuming that other factors are the same.

Expanding Child Care Assistance Reported as Unlikely to Substantially Increase Demand for Child Care Services or Impact Active-Duty Families

DOD officials and CCAoA representatives said that a lack of high-quality child care providers is an ongoing challenge for active-duty servicemembers attempting to use the fee assistance program. DOD officials said that there is limited high-quality child care that meets DOD standards, especially in locations with high demand and in rural areas. According to DOD, less than 15 percent of child care centers in the civilian sector are nationally accredited, contributing to difficulties for military families in finding eligible community-based child care. DOD has noted that states are also experiencing a shortage of accredited and state-licensed care, particularly in programs for infants and toddlers. In addition, accredited and licensed child care providers sometimes opt not to participate in the fee assistance program because of the administrative burden associated with it or waits for reimbursement, according to officials in two of the service branches.²² According to one senior official from DOD's Office of Military Family Readiness Policy, even when sufficient funds are available, DOD is not always able to serve all active-duty servicemember families in areas where the demand for child care is high because of the scarcity of eligible providers. DOD officials and CCAoA representatives said that Coronavirus Disease 2019 (COVID-19) has also exacerbated the shortage of community-based child care.²³

Overall, officials reported that expanding eligibility for the program to children of servicemembers who died in non-combat related incidents would unlikely have a substantial impact for active-duty servicemembers seeking community-based child care. Officials from one service branch indicated that in certain areas where the demand for services is high, the availability of quality providers may influence the extent to which expanding fee assistance eligibility might impact the availability of care for children of active-duty servicemembers. At the same time, officials from another service branch noted that the families of servicemembers who die in noncombat-related incidents may already be using child care providers in the community—whether or not their care was previously subsidized by the fee assistance program—and may not represent additional competition for limited openings. Further, given the relatively small number of additional children who would be eligible for fee assistance, DOD

²²Officials in DOD's Office of Military Family Readiness Policy said that the Military Child Care in Your Neighborhood PLUS initiative is aimed at facilitating provider enrollment in the fee assistance program.

²³Based on our 2021 national survey of state Child Care and Development Fund administrators, we previously reported that COVID-19 notably impacted the availability of child care for families due to closure of facilities, although states reported improvements in availability over time. GAO, *COVID-19: Additional Actions Needed to Improve Accountability and Program Effectiveness of Federal Response*, [GAO-22-105051](#) (Washington, D.C.: Oct. 27, 2021).

officials said it is unlikely that expanding fee assistance eligibility to them would have a substantial impact on the overall demand for child care services.

Additionally, DOD officials said that because the families of active-duty servicemembers are in a higher priority grouping than families of deceased servicemembers, these families are unlikely to compete with active-duty servicemembers for child care fee assistance.²⁴ Each service determines its own budget for child care services, and several DOD officials noted that available resources would play a role in whether more children being eligible for the program would result in waitlists.²⁵ However, because of the higher priority of active-duty servicemembers, expanding fee assistance eligibility to the children of servicemembers who die in noncombat-related incidents should not impact the availability of such assistance for the children of active-duty servicemembers, according to DOD officials.

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Agency Comments

We provided a copy of this draft report to DOD for review and comment. In its formal comment letter, reproduced in enclosure III, DOD stated that it appreciated our efforts in drafting the report. DOD also provided technical comments, which we incorporated as appropriate.

We are sending copies of this report to the appropriate congressional committees, the Secretary of Defense, and other interested parties. In addition, the report is available at no charge on the GAO website at <https://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512-7215 or larink@gao.gov. Contacts for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Key contributors to this report were Theresa Lo (Assistant Director), Kristen Jones (Analyst in Charge), Susan Aschoff, Justine Augeri, Lara Laufer, Charles McPhee, Jean McSween, Gabriel Nelson, Mimi Nguyen, Joy Solmonson, and James Rebbe.



Kathryn A. Larin
Director, Education, Workforce, and Income Security Issues

Enclosures - 3

²⁴DOD policy states that families of active-duty servicemembers generally receive higher waitlist priority than the families of deceased servicemembers. DODI Instruction 6060.02, Enclosure 3, paragraph 2.

²⁵DOD's Office of Military Family Readiness Policy augments the military service branches' fee assistance program and fully funds the fee assistance program for the Marine Corps. The services have generally had sufficient capacity to accommodate program users. Of the four service branches, only the Navy currently has a fee assistance waitlist, which it attributes to a lack of funding and families delaying a placement in child care due to pandemic-related concerns.

Enclosure I: Sources and Methods Used to Estimate the Cost of a Fee Assistance Expansion

To estimate the cost of providing fee assistance to children of servicemembers who die in noncombat-related incidents in fiscal year 2020, we analyzed data obtained from DOD's Defense Manpower Data Center on servicemember deaths and children of deceased servicemembers for fiscal years 2009 through 2020. We examined data from this 12-year period to account for any children who would have been 12 or younger—and thus, potentially eligible for fee assistance—in fiscal year 2020. We used data on servicemember deaths from the Defense Casualty Analysis System. These data include members of the National Guard and Reserves who were activated at the time of their death, as well as active-duty casualties from the Army, Navy, Air Force, and Marine Corps.²⁶ We also used data on non-hostile deaths and deaths not associated with overseas contingency operations as a proxy for noncombat-related deaths, which was not a category available in the data we analyzed.²⁷ Data on the children of deceased servicemembers are from the Defense Enrollment Eligibility Reporting System. We assessed the reliability of these data by interviewing DOD officials, reviewing related documentation, and conducting data testing. We determined these data were sufficiently reliable for the purpose of presenting summary data on servicemember deaths and dependents.

We used publicly available DOD data on minimum and maximum monthly average fee assistance costs for fiscal year 2019. Due to the influence of the Coronavirus Disease 2019 (COVID-19) pandemic, we considered fiscal year 2020 data potentially less representative of typical child care costs and participation. We assessed the reliability of these data by interviewing DOD officials and Child Care Aware of America representatives and reviewing related documentation, and determined these data were sufficiently reliable for the purpose of estimating potential costs.

To calculate our estimate of the cost of providing fee assistance to children of servicemembers who die in noncombat-related incidents in fiscal year 2020, we multiplied the number of children of servicemembers who died in noncombat-related incidents who were age 12 and under in fiscal year 2020 by the minimum and maximum monthly average cost of providing fee assistance in fiscal year 2019. Child Care Aware of America data suggest that, on average, families use fee assistance less than the full 12 years for which their children are eligible. According to these data, participating families enrolled their children in the fee assistance program for an average of 2.5 years in fiscal year 2019. Thus, we applied a multiplier to account for children's average amount of time in the fee assistance program. Cost estimates are reported in fiscal year 2020 dollars.

Our estimate does not account for various factors that could affect costs, such as variations in the cost of child care due to cost of living differences by location, family circumstances that might affect the use of benefits, and planned changes to the maximum provider rate DOD uses in calculating fee assistance, as outlined in the report. In addition, our estimate does not account for potential changes over time in the cost of on-base care. Because the military service

²⁶We used "active duty" as a proxy for "in the line of duty" due to inconsistent definitions of the term across military service branches, as well as the lack of timely and reliable data on "in the line of duty" status. In general, deaths due to a servicemember's own misconduct are not considered to have occurred in the line of duty, and so using data on active-duty deaths may slightly overstate the number of children eligible for fee assistance.

²⁷The definition of a contingency operation in 10 U.S.C. § 101(a)(13) includes any Secretary of Defense-designated military operation "in which members of the armed forces are or may become involved in military actions, operations, or hostilities against an enemy of the United States or against an opposing military force."

branches calculate the amount of assistance an off-base child care provider can receive on behalf of a military family by subtracting the rate the family would pay for on-base child care—which varies depending on their income level—from the rate charged by the off-base provider, changes over time in on-base fee schedules could influence the cost of fee assistance, according to DOD officials. Finally, our estimate does not account for additional contract fees. According to Army officials, contract overhead can be estimated at 15 percent of the total cost of the contract.

Enclosure II: Number of Servicemembers Who Died in Noncombat-Related Incidents and Number of Children Associated with These Servicemembers, Fiscal Years 2016 – 2020

Table 1: Number of Servicemembers Who Died in Noncombat-Related Incidents with Children Age 0-12, Fiscal Years 2016 – 2020

Service branch	2016	2017	2018	2019	2020
Army	136	115	125	122	106
Navy	47	66	61	52	48
Air Force	40	40	44	48	57
Marine Corps	28	29	30	36	27
Total	251	250	260	258	238

Source: GAO analysis of Department of Defense data. | GAO-22-105186

Note: These data refer only to servicemembers who died in each particular fiscal year and who had children who could have been eligible for fee assistance in that particular fiscal year.

Table 2: Number of Children, Age 0-12, Associated with Servicemembers Who Died in Noncombat-Related Incidents, Fiscal Years 2016 – 2020

Service branch	2016	2017	2018	2019	2020
Army	238	193	227	223	176
Navy	74	117	107	86	78
Air Force	75	69	80	81	96
Marine Corps	59	58	47	55	48
Total	446	437	461	445	398

Source: GAO analysis of Department of Defense data. | GAO-22-105186

Note: These data refer only to children of servicemembers who died in noncombat-related incidents in each particular fiscal year and who could have been eligible for fee assistance in that particular fiscal year.

Enclosure III: Comments from the Department of Defense



ASSISTANT SECRETARY OF DEFENSE
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11/29/2021

MANPOWER AND
RESERVE AFFAIRS

Ms. Kathryn A. Larin
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Washington, DC 20548

Dear Ms. Larin,

This letter acknowledges the Department of Defense (DoD) receipt of the GAO Draft Report, GAO-22-105186, "MILITARY CHILD CARE: Potential Costs and Impacts of Expanding Off-Base Child Care Assistance for Children of Deceased Servicemembers," dated November 5, 2021 (Engagement Code 105186).

We appreciate your team's efforts in collaborating with our Military Community and Family Policy, Office of Military Family Readiness Policy, to prepare this draft report and address the items requiring clarification. We have reviewed the report for technical accuracy and have no further comments at this time.

My point of contact is Ms. Heidi Welch, who can be reached at 571-232-2316 and heidi.e.welch.civ@mail.mil.

Sincerely,

PENROD.VIRGINIA. Digitally signed by
STRONG.10914035 0140331
16 0590f
Date: 2021.11.29 14:47:26

Virginia S. Penrod
Acting

Enclosure:
As stated

(105186)

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