

DOD Should Communicate More Clearly with Providers in the Fee Assistance Program

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A report to congressional committees

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What GAO Found

Use of the Department of Defense (DOD) child care fee assistance program grew across the military services between fiscal year (FY) 2019 and FY 2024. Both the number of community-based providers and the number of children participating increased, according to GAO’s analysis of military service data. Most of this growth occurred after FY 2021 with military service officials citing additional program spending and efforts to expand the program to more states. GAO’s analysis of program data also indicated that DOD granted numerous exceptions to children to allow them to attend providers that do not meet some program requirements, such as obtaining national accreditation. From FY 2019 through FY 2024, the proportion of such providers ranged from about one-quarter to two-thirds of the providers across the military services. Military service officials said that they grant children exceptions to attend these providers on a case-by-case basis, for example, when no participating providers are near the family’s home.

Selected child care providers GAO interviewed said that participating in the fee assistance program could be challenging. Challenges included meeting initial eligibility requirements, keeping up with administrative tasks to remain eligible, and understanding information from DOD about certain eligibility-related decisions. Selected child care providers and national accreditation organizations GAO interviewed said that achieving national accreditation or state quality ratings can be costly and time consuming for providers. Providers also said that ensuring families correctly complete and submit their required paperwork can sometimes be difficult. In addition, one provider with over 1,500 participating centers nationwide said their centers sometimes received unclear information from DOD in ineligibility letters sent to providers facing probation, suspension, or termination. While some reasons for ineligibility involve health or safety, in other cases the reason is relatively minor, such as a late state inspection report. GAO reviewed letter templates from the military services and found that they did not state that providers could request additional information about the decision or an additional review. DOD’s forthcoming Business Rule Guidance for the military services does not require this notification. Without including this information, providers with relatively minor issues may not be aware that they can follow up to resolve the issue. As a result, child care for military families may be unnecessarily disrupted, potentially harming DOD’s mission readiness.

Challenges Community-Based Child Care Providers Face



Source: GAO analysis of interviews with selected community-based child care providers; Adobe Stock (icons). | GAO-26-107827

Why GAO Did This Study

Many military service members need child care to perform their jobs, and DOD considers child care essential to overall mission readiness, efficiency, and retention. When U.S. on-base child care is not available, DOD’s fee assistance program provides subsidies for families to use at eligible civilian child care providers in their community.

H.R. Rep. No. 118-529 (2024), includes a provision for GAO to review the DOD child care fee assistance program. This report addresses what available data show about recent participation trends in the DOD fee assistance program, and the challenges providers face participating in the program, among other objectives.

GAO analyzed DOD and military service data on program participation from FY 2019 through FY 2024 (the most recent available), and reviewed DOD program documents. GAO interviewed DOD and military service officials and staff from DOD’s program administrators. GAO also interviewed three participating providers and four national child care organizations about the program. GAO selected the national child care organizations based on DOD information and the participating child care providers based on recommendations from the national child care organizations.

What GAO Recommends

GAO recommends that DOD provide additional information to fee assistance providers regarding eligibility-related decisions. DOD agreed with the recommendation.