



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT
Washington, DC 20415

The Director

Wednesday, October 12, 2016

MEMORANDUM FOR: HUMAN RESOURCES DIRECTORS

FROM: MARK D. REINHOLD, ASSOCIATE DIRECTOR, EMPLOYEE SERVICES

Subject: Fiscal Year 2014 Federal Child Care Subsidy Report

I am pleased to share the results of the U.S. Office of Personnel Management's (OPM) Fiscal Year 2014 Federal Child Care Subsidy Program (FCCSP) Report. As required by 5 CFR 792.204, OPM collects data on Federal childcare subsidy programs, and this biannual report presents program information from Fiscal Year 2014. Numerous agencies offer childcare subsidy programs, yet few Federal employees are benefiting from them. Given rising childcare costs, subsidy programs present an opportunity for Federal agencies to expand their supports for employees with childcare responsibilities, yielding potential benefits for employees and agencies.

BACKGROUND

Federal agencies are authorized by law to provide subsidies for childcare to their lower-income employees (40 USC 590 (g)). Agencies have the discretion to offer a subsidy and consider various factors such as budget, mission priorities, and the demographics and needs of their employee population when deciding to offer the program. Agencies are given broad latitude in determining program parameters, including income ceilings and amounts to be disbursed.

It is important to subsidize childcare considering the growing number of households with two working parents. There is a pressing need for affordable childcare considering the largest percentage of the incomes for low-income and single-parent families is spent on child care.

KEY FINDINGS INCLUDE:

- About a third of agencies offered childcare subsidy programs in Fiscal Year 2014.
- On average, less than half of one percent of agency employees received subsidies across the Government.
- The average income ceiling of about \$70,000 was considerably higher than the average family income for program participants (about \$47,000).
- On average, agency disbursements covered 47 percent of pre-subsidy childcare costs.

RECOMMENDED NEXT STEPS

Agencies are encouraged to establish childcare subsidy programs and to increase the level of program awareness. Information about the FCCSP is available [2014 Federal Child Care Subsidy Program](#). If you have any questions regarding this report, please contact worklife@opm.gov.

cc: Chief Human Capital Officers, Deputy Chief Human Capitals, and Work-Life Coordinators