



FIRST LOOK AT CHILD CARE IN THE NYS 2025-26 EXECUTIVE BUDGET

Child Care

What's in the Executive Budget

For child care assistance (subsidies or CCAP)—the principal public support for helping families meet the high costs of quality child care—the **Executive Budget** proposes appropriating \$2.3 billion for child care, with **nearly \$1.8 billion** for CCAP according to the Executive Budget Briefing Book. Specifically, the **Executive Budget** allocates (1) \$997.2 million from the State General Fund (\$1.079 billion cash amount according to the Executive Budget Financial Plan); (2) Up to \$576 million from federal Child Care Development Fund (CCDF) funds; and (3) \$497.2 million from federal TANF funds.

For the child care workforce, the **Executive Budget** proposes **no funding**, \$300M less than last year's Enacted Budget.

For new programs, the **Executive Budget** allocates \$100 million in capital funding for construction and renovation of child care centers and \$10 million in federal funds for family child care; \$1 million to support creation of the New York Coalition for Child Care to “formalize the partnership between businesses, unions, and providers;” and \$3 million – along with Article VII language – to create a Child Care Worker Substitute Pool.

The **Executive Budget** allocates no funding for the Facilitated Enrollment that provides child care assistance to parents working episodically, earning up to 400% of FPL, or with children ineligible for CCAP due to immigration status, level with the 2024-25 Executive Budget. The 2024-25 Enacted Budget allocated \$10 million.

The **Executive Budget** allocates \$5 million for QUALITYstarsNY, the State's quality rating and improvement system—level with last year; up to \$5 million to support a pilot of staffed Family Child Care Networks in regions around the state - level with last year; and up to \$10.7 million drawing upon federal CCDF funds, for the Infant-Toddler Resource Network, which provides critical training and supports to providers serving our youngest New Yorkers—level with last year's enacted budget.

See chart on back of this page for more information.

Background

Due to historic expansions in child care assistance since July 2022, child care is financially within reach for the first time for many New York families. Yet, many families are unable to use the assistance because they cannot find a child care program that meets their needs with capacity to care for their child, due in large part to a child care workforce shortage caused by low wages. Child care educators, with an average annual salary of **\$38,000**, earn **\$25,000 less** than the median annual salary for full-time New York workers (of approximately **\$69,000**). A [March 2023 survey](#) of child care providers found that staffing shortages greatly diminished programs' ability to operate at full licensed capacity, with 28,462 licensed or registered slots empty statewide from 1,600 respondents due to insufficient staffing from uncompetitive wages. Other families still struggle to qualify for child care assistance due to inequitable rules that make access difficult for some immigrant families and families where parents work in the gig economy or non-traditional hours.

	FY 2025 Enacted Budget	FY 2026 Executive Budget
Child care assistance (subsidy)	Nearly \$1.8B	Level with last year
Child care assistance expansion	Income eligibility ceiling raised to 85% of State Median Income (SMI) beginning October 1, 2023	No change
Co-pays	Limits family co-pays to 1% of income over FPL beginning October 1, 2023	No change
Work/immigration status requirements	Small pilot program through Facilitated Enrollment (\$10 million) will expand access to children regardless of immigration status and episodic workers	No funding proposed
Payment for absences	Covers costs for up to 80 absences per year per child beginning October 1, 2023	No change
Subsidy reimbursement rates	80th percentile of the market rate; legally exempt providers receive 65% of the family child care rate	No change
Stabilization / workforce retention grants	Nearly \$300M - reprogrammed funds allocated for workforce retention grants	No funding proposed
Employer child care tax credit	\$25 million, to be reflected in FY 2025 and FY 2026 creating a two-year refundable tax credit for employers to create or expand licensed child care programs to provide their employees with child care for 2023 and 2024. Employers can create up to 25 new slots and the credit amount will be based on the number of additional slots created for infants and toddlers ages 0-3	No new funding
Infrastructure	Reappropriated from prior year \$50 million in capital funds to be distributed in grants of no less than \$50,000 each by a joint process created by the dormitory authority and OCFS capital costs	\$100 million in capital funds to be distributed in grants of no less than \$50,000 to child care centers. \$10 million of federal funds for family-based child care programs