



Empire State

CAMPAIGN FOR CHILD CARE

Talking Points: Looming Child Care Assistance Shortfall and Workforce Challenges Threaten Child Care Gains in the Absence of Additional Funding for Child Care in the 2025-26 NYS Budget

(March 2025)

Child Care Assistance Shortfall

Urgent Budget Ask: At least \$500M in additional investment in the Child Care Assistance

Program to prevent thousands of NY families - beginning in NYC - from being kicked off child care assistance (CCAP), and to end NY's inequitable exclusion of families with earning equal to less than the minimum wage, and those who work fluctuating hours, from CCAP eligibility. This amount might prevent the most severe disruptions, and provide NYC and the rest of the state additional time to figure out a longer term strategy.

Background

- New York City Administration of Children's Services (ACS) began publicly sounding the alarm in February 2025 that they are about to run out of CCAP funds, and without more CCAP funding in this year's state budget, will be forced to turn away new applicants for child care assistance, and deny recertification to families currently receiving assistance. ACS estimates a total need of \$2.006B to continue to serve low-income families at the current level, as well as those guaranteed CCAP because they are in receive of TANF.
- **Families at risk of being denied new or ongoing CCAP are low-income working families not guaranteed CCAP.** Thousands of NYC working families earning less than 85% of SMI (\$108,000 for a family of 4), but who are not on TANF cash assistance, are at risk of losing a benefit that saves them \$18,000 a year in tuition if they have one child in care, and much more if they have more than one.
- **ACS estimates that as many as 4,000 to 7,000 families a month could be denied continued care as they come up for recertification.** Thousands of new applicants will simply be turned away. The denials could begin as early as April 2025.
- ACS has successfully increased uptake in high-poverty neighborhoods in recent years with outreach and other programs, meaning families from these high-poverty neighborhoods stand to lost CCAP in high numbers.
- **The grave impacts of a sudden halt to CCAP enrollment and reenrollment for NYC families and child care providers cannot be overstated.** Families will either have to come up with an extra \$1,500 or more per month to cover costs of care, or pull their children from child care and patch together another arrangement so they can still work, or stop working.
- Child care providers will be left scrambling to fill seats vacated by long-time families forced to withdraw, causing financial strain because providers need to have uninterrupted tuition to make ends meet.
- Other counties will be facing CCAP shortages – not as imminently as NYC - but soon.

Child Care Workforce Challenges

Urgent Budget Ask: create a “permanent child care workforce pay equity fund” (S.5533(Brisport)/ A.492-A (Hevesi)); include an investment of \$1.2 billion.

- Anything less than about \$350M in the budget for the child care workforce **will amount to a cut in funding to the workforce** given that the last two New York State budgets made short-term [stabilization grants](#) available to child care providers to shore up staffing.

Background

- **Finding and retaining child care educators and those in supporting roles is the number one issue we hear from the field.** The average wage for the child care workforce (94% women, and more than 53% people of color) is approximately [\\$38,000](#). In contrast, the median annual salary for full-time New York workers is approximately [\\$69,000 per year](#). Family-based providers earn even less: an average of [\\$10.50 an hour](#), or \$22,000 per year.
- **The Executive Budget allocates no funds for the child care workforce.** If no funding is added before the budget is finalized, this will be the first time since the pandemic that there are no funds for the child care workforce. In 2023, one-time [retention bonuses](#) were awarded to child care educators: \$3,000 full time; \$2,300 afterschool. In 2024, bonuses of \$2,250 for full time educators; \$1,725 for afterschool. Child care programs reported these bonuses helped, but the amount, and the one-time nature of the bonuses meant they did little to solve providers’ persistent recruitment and retention challenges.
- A January 2025 statewide [survey](#) conducted by the Empire State Campaign for Child Care found that staffing shortages due to low wages continue to be a major challenge. These shortages have significant consequences for children and families, contributing to New York’s shortage of child care capacity, and undermining quality by contributing to high turnover rates among child care educators and other classroom disruptions.
 - Among the **1,250** respondents, 56.5% of the respondents reported being short-staffed, and **16,500** licensed or registered slots were left empty due to insufficient staffing because of low wages. (**Total licensed capacity in NYS: 812,160**).
- **The most urgent recommendation of Governor’s Child Care Availability Task Force in its January 2025 [Roadmap to Universal Child Care](#) called for New York to “[i]mplement a permanent line of funding for the child care workforce,”** explaining that “[o]nly with permanent funding will child care programs be able to recruit and retain educators.” It also stressed that without investment in the workforce, families will not be able to find care, and the goal of universal child care will be “in jeopardy.”
- **What about the Executive Budget’s \$110M for infrastructure and \$3M for a substitute pool?** The proposals are welcome, but they do not address what the child care community, and the Governor’s own Child Care Availability Task Force, have identified as the most urgent issue – the shortage of child care educators due to low pay. As one provider [stated](#): *“I worry that building more childcare centers without the fiscal support (for the workforce and operations) is going to result in more empty buildings.”*