



Empire State

CAMPAIGN FOR CHILD CARE

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 26, 2025)

Urgent Budget Request: The final 2025-26 NYS Budget must include **at least \$1 billion for child care over what was proposed in the Executive Budget (of which, at least \$500 million should be invested in child care assistance (vouchers), and \$500 million for workforce)**. At least \$1 billion is needed to prevent thousands of New York families from losing child care assistance and to begin to address the child care workforce shortage to ensure programs can operate at full licensed capacity to meet growing need.

Child Care Assistance (CCAP) Shortfall Budget Ask: At least \$500 million in additional investment in CCAP (or vouchers) over what was included in the Executive Budget proposal to prevent the most severe disruptions to families and programs, and provide NYC and the rest of the state additional time to figure out a longer-term strategy.

- To meet just NYC's need would require a public investment of approximately \$907 million (according to analysis by the [Center for NYC Affairs](#)).
- **This is not just a NYC issue.** Five rural counties have already stopped enrollment, at least six more are likely to do so in the coming weeks or months, and will not restart enrollment until October 2025, when their next block grant allotment is issued.

Child Care Workforce Budget Ask: At least \$500 million for a “permanent child care workforce pay equity fund” (S.5533(Brisport)/ A.492-A (Hevesi) as proposed in the Senate one-house budget.

- Finding and retaining child care educators and those in supporting roles is the number one issue facing the sector, contributing to New York's shortage of child care capacity, and undermining quality by contributing to high turnover rates among child care educators.
- A permanent public investment in the workforce is essential to ensure there is sufficient capacity to serve the growing need for child care.

Background: CCAP Shortfall

- New York City began publicly sounding the alarm in February 2025 that the City is running low on CCAP funds, and without more 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 it needs **an additional \$987 million** to continue to meet demand.)
- **In New York City, as many as 4,000 to 7,000 children 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. Counties outside of NYC have already begun closing enrollment – five as of March 25, 2025; others expect to close soon.

- **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 child care costs, or pull their children from child care and patch together another arrangement so they can still work, or stop working.
- **Families at risk of being denied new or ongoing CCAP are low-income working families not guaranteed CCAP.** Thousands of 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.
- **Child care providers will also be harmed.** They 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
- **Reasons for the shortfall:**
 - A pandemic-era rule waiving work requirements for families on public assistance ended; as these parents return to work, their children need – and are guaranteed – CCAP/ vouchers. (This is having the greatest impact in NYC.)
 - In 2024, new CCAP/voucher rates went into effect making the cost per child rise. **This means that by definition, level funding for CCAP means that fewer families will be served.**
 - In 2023, NYS expanded child care assistance eligibility significantly, making tens of thousands of family newly eligible for CCAP. Uptake is accelerating as families learn about this valuable support - although NYS still serves a small fraction of eligible families. While uptake has increased, proposed CCAP funding is level, meaning there will not be sufficient funds to serve all who apply.

Background: Workforce Challenges

- 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.
- **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 – amounting to a pay cut.** 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.
- A January 2025 statewide [survey](#) conducted by the Empire State Campaign for Child Care found that staffing shortages due to low wages contribute to New York’s shortage of child care capacity.
 - 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.”**