



**Testimony submitted to the Joint Fiscal Committees
on the SFY 2025-26 Executive Budget
Human Services Budget Hearing
February 12, 2025**

Thank you for the opportunity to present testimony on the 2025-26 New York State Executive Budget on behalf of Empire State Campaign for Child Care. Empire State Campaign for Child Care is a statewide campaign dedicated to achieving universal child care in New York State. Founded in 2017, ESCCC counts in its membership over 100 organizations, along with hundreds of parents and child care providers from every corner of New York State.

Background

In the last three budgets NY has significantly increased investments in child care, resulting in dramatic expansions in access to child care assistance, making child care newly affordable for tens of thousands of NY families. However, without a well-supported, steady, reliable workforce, all of the gains of the last three years are in jeopardy and the state's stated goal of moving toward universal child care is an impossibility because staffing shortages due to low pay are worsening capacity shortages. This means that even if a family can access child care assistance and afford child care, they may still not be able to enroll their child in a program due to lack of capacity. Another challenge facing the state: some counties are running low on child care assistance funds.

To meet the Governor's stated commitment to steadily phasing in universal child care in New York State, will require significantly more investment in child care in the 2025-26 New York State Budget than is proposed in the Governor's Executive Budget. Those investments must be targeted to raising the wages of the child care workforce, and increasing investment in the state's child care assistance program.

Top Budget Recommendations

Increase Compensation for All Members of the Child Care Workforce

Educators and support staff are the heart and soul of child care—and the number one cost of operating a child care program. And yet, most are paid poverty wages. Child care in New York (and the nation) is a public-private market. Programs are financed primarily by tuition paid by parents, along with public subsidies paid on behalf of some lower-income families. Neither private tuition nor the rates paid by the state's subsidy program (CCAP) are

sufficient to pay the child care workforce a thriving wage. **As a result, child care educators earn an average of \$38,000 annually, less than [96% of occupations in New York State](#).**

These low wages have made it challenging for programs to recruit and retain staff, which in turn has resulted in many programs operating at less than full licensed capacity, deepening the state's existing capacity shortfall.

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, amounting to a cut to workforce pay. 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.

The Empire State Campaign for Child Care urges the Legislature to:

Provide sustained and reliable compensation and benefits to all members of the child care workforce. (\$1.2 billion)

- Create a permanent state fund to increase child care worker compensation. This fund should be robustly resourced and sufficient to offer all members of the child care workforce a significant boost in income; and
- Develop a plan for subsequent years to establish a minimum pay scale and career ladder based upon agreed upon criteria. This pay scale will inform compensation supplement levels after the base pay scale for all has been increased.

Help Ensure ALL New Yorkers can Access Child Care

While New York's expansions to child care assistance in the last two years have been historic, there are still many New York families who face unscalable barriers to accessing child care assistance, among them, families where parents or caretakers work unpredictable or fluctuating work hours. New York currently allows parents child care assistance only for the exact hours they work or attend school or training. This practice effectively makes child care assistance unavailable to the many New York parents who work jobs with inconsistent or rotating schedules, offer only part-time hours, or are part of the growing gig economy.

Last session, the Legislature passed two bills to end these two exceptionally harmful, inequitable rules – one barring parents from eligibility for CCAP for earning too little, and another limiting the hours of care CCAP will cover to the exact hours parents work. Governor Hochul vetoed both bills in December, stating they would be more appropriately addressed in the Budget. The **Executive Budget** does **not** propose funding or legislative language to end New York's rules excluding very low-income working parents and many who work fluctuating hours from Child Care Assistance.

Also of concern: as more families become eligible for child care assistance, funds are running low. New data suggests that in some communities, including New York City, without additional state investment in the CCAP system, counties will be forced to refuse to recertify returning families, or turn away new, eligible families.

Finally, in New York and around the country, families with children with developmental delays and disabilities face additional barriers finding child care programs able to meet their children's needs. Under the CCAP program, the enhanced full-time rate for a child with developmental delays and disabilities at a child care center ranges from a \$3,900 enhancement per year for an infant in care in NYC to \$2,005 per year for a school-age child in Niagara County. Often, what children with special needs require is more one-on-one attention, but the enhancement at best would cover just a few hours per week of additional staff time. While not enough, increasing the enhanced rate would be a helpful step.

The Empire State Campaign for Child Care urges the Legislature to:

Ensure ALL New Yorkers can access child care, starting with guaranteeing child care assistance (CCAP) to eligible low-income New Yorkers and invest at least \$400 million.

- Make child care a state-funded entitlement for eligible families making less than 250% of the federal poverty threshold and increase state funding for CCAP to account for growth in the program.
- End New York's rule that denies CCAP to families if parent(s)/caregiver(s) earn less, on average, than minimum wage.
- End New York's rule of tying CCAP to parent(s)/caregivers' exact hours of work.

Help eliminate barriers to accessing child care for children with developmental delays and disabilities (\$5 million).

- Increase the enhanced rates for children with developmental delays and/or disabilities to 130% of the market rate (up from 115%) and take steps to make it easier for child care programs to receive the enhanced rate.

Position on the Executive Budget's Proposed Capital Investments; Creation of a Substitute Pool; Creation of a Coalition for New York Child Care

These **Executive Budget proposals** are welcome, but they do not address what the child care community, and the Governor's own Child Care Availability Task Force in the recently released [Roadmap to Universal Child Care](#), 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."* In fact, many child care programs are operating at less than licensed capacity because they cannot hire and retain adequate staff. A March 2023 [survey of child care providers](#) found that among **1,600** respondents, **28,462** licensed or registered slots were left empty due to insufficient staffing because of low wages. (**Total licensed capacity in NYS; [795,000](#)**).

Regarding the Governor's proposal to create a NYS Child Care Coalition? If this group is directed to develop a sustained funding plan ambitious enough to support universal child care, and the Governor includes the plan in **next year's** Executive Budget, this could mark the moment the Governor's stated goal of universal child care moves from vision to reality.

The Need to Invest in Child Care THIS Year is Urgent

Operating small child care businesses involves significant overhead. Many of these programs, especially family child care and legally exempt providers, are run by entrepreneurs in their own homes. They struggle with the current market rate model, which fails to cover their costs. Child Care Educators in residential settings often forgo or accept minimal pay to ensure that their assistants receive wages and that operational expenses are at least partially met. However, most assistants are minimum wage earners without benefits, leading to high turnover as they leave the early childhood education (ECE) field, believing there is no viable future in it.

This is why we are calling for significant investment. Underinvesting in child care sends a message that early childhood education is not valued, discouraging potential educators from entering the profession. Without competitive pay and benefits, the industry cannot attract or retain a skilled workforce, resulting in closures and an unsustainable business model. New York must prioritize funding that stabilizes and strengthens the workforce, ensuring that those who provide essential early education can afford to continue doing so.

Bills - S.5327A Brisport/ A.4986A Hevesi, and A.1303 Clark/S.4924 Ramos are critical to ensuring equitable access to child care, particularly for families relying on family child care providers. Many parents, especially those with non-traditional work schedules, part-time employment, or fluctuating hours, struggle to meet rigid work-hour requirements. As a result, they are either ineligible for assistance or forced to make difficult choices between employment, education, or caregiving responsibilities. These policies disproportionately impact low-income parents, single caregivers, and those in industries with unpredictable scheduling, further exacerbating economic instability.

Family child care settings are a vital resource for parents with non-traditional work hours, offering flexible and reliable care options. However, without stable funding mechanisms, these providers face financial strain when parents lose subsidies due to arbitrary work-hour thresholds. Decoupling child care assistance from work-hour requirements and eliminating minimum earnings thresholds would allow more families to access stable, high-quality child care, ensuring that parents can pursue work or education without the constant threat of losing support.

These budget requests are crucial as they ensure equitable access to child care, support working parents, and stabilize the workforce. Investing in these areas strengthens communities and ensures a sustainable, high-quality child care system for all families.

Empire State Campaign For Child Care