



UPC: A Five Year Roadmap for Universal Public Child Care

**How We Shift Child Care Costs from Individuals
to the State—and Build a Quality Child Care
System for Every Kid in New York**



About New Yorkers United for Child Care

New Yorkers United for Child Care (NYUC) is a new organization made up of parents and would-be parents in New York City, who are organizing to build the political power needed to win free universal public child care for all.

By organizing parents of young children and New Yorkers who are considering building a family right here in New York City, we are building a strong grassroots organizing effort and lending a new source of power to the fight for universal child care.

Join us: www.united4childcare.org/

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FOR GENERATIONS, the child care advocacy community in New York (and beyond) has been pushing for policies that would better meet the needs of families and providers. We are proud to stand with many of them, to have the opportunity to learn from them, and to reference their work in this report. We are grateful to the elected officials who are working to improve child care policies at the city, state, and federal level; who have stood with New Yorkers United for Child Care over the past year; and who are fighting out front and behind the scenes to make a difference.

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This report was primarily written and researched by Emmy Liss, an independent researcher and advisor, and a member of the NYUC policy advisory committee. Emmy worked for the NYC Department of Education from 2015-2022 and supported the roll-out of 3-K and Pre-K for All.

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EXECUTIVE SUMMARY

UPC: A Five-Year Roadmap for Universal Public Child Care in New York State

Why We Need Universal Public Child Care

Accessible, affordable child care is critical for children, families, and our economy. But child care is out of reach for too many families. Parents are pushed to their breaking point, and our economy is losing billions due to child care gaps.

Private child care costs families billions.

\$14B

New Yorkers spend \$14 billion on child care collectively—each year.

\$22K

The average New Yorker spends \$22,000 on child care per kid.

Expensive child care is pushing families out—and hurting our economy.

40%

Families with young kids are 40% more likely to leave New York.

\$23B

NYC lost \$23 billion in economic activity due to the child care shortage.

New York needs free, universal, publicly funded child care for all children under five.

There is no private market fix for this problem.

Families cannot afford to pay more for child care, and child care providers cannot afford to run their businesses on what parents can pay—supply and demand do not match up.

Join us: www.united4childcare.org/

What is Universal Public Child Care (UPC)?

- ✓ **Free** for all New York families
- ✓ **All** kids birth to five
- ✓ **Full Day** from 8 AM to 6 PM
- ✓ **Nearby** within 15 minutes of your home
- ✓ **Easy to Apply** with just age and address

Meets Family Need

UPC would recognize family preference for different types of care. All children's linguistic and developmental needs would be met.

There would be sustaining wages for child care providers in all settings.

To ensure effective administration, there would be shifts in state and local governance structures to streamline bureaucracy while allowing for some local autonomy. The State would invest in program quality and physical capacity for child care.

And, there are broader policies needed, like expanded paid leave for families with newborns and putting protections in place to ensure private investors cannot profit off the backs of the child care system.

Shifting Costs: From Individual to Public



Currently: New Yorkers pay a collective \$14 billion annually for childcare.

Under UPC, parents would pay no individual cost and the State would fund child care.

This is not a new cost— New Yorkers are already paying \$14 billion a year for child care.

Universal public child care represents a cost shifting from a private expense that parents pay all at once, to a public investment shared by all New Yorkers and paid over time. The incremental cost to New York State to run a universal child care system for children birth to five would shift this cost from the individual to the state and cost approximately \$12.7 billion annually once the program reaches full scale.

\$237 billion

**New York's
Total Budget**

\$82 billion

**Total K-12
education costs**

\$12.7 billion

**Cost of adding universal
public childcare**

New York's Total Budget

A full-scale universal child care program would cost just 6% of the total budget. By comparison, New York spends \$82 billion on K-12 education every year.

Public spending on child care is an investment and an economic development strategy.

- ✓ **Return on investment:** The return on investment for every dollar spent on early care and education is \$10–13, with stronger returns in systems that start earlier.
- ✓ **Population loss:** The State and employers are losing out on valuable tax revenue, and the State risks continued population outflow without a more robust child care infrastructure.
- ✓ **Revenue loss:** The state is losing billions of dollars every year because we do not have universal public child care.

We Need Dedicated Revenue:

Universal child care would likely require an initial investment in new revenue to augment the State's general budget. Any new revenue source should be permanent, progressive, and dedicated. Three options include:

- **a capital gains tax** (~\$12.5 billion revenue)
- **a corporate tax** (~\$7 billion revenue)
- **a high-income earners tax** (up to ~\$20 billion revenue)

**Over time,
universal
public
child care
would pay
for itself.**

We are modeling a universal child care program for New York that would rely on new state funding alone because **New Yorkers cannot wait for the federal government to act.** The imperative for care in New York is too great. Bold action at the State level could ultimately push the federal government to take its own bold action.

In Quebec, where universal child care has been available since 1996, the incremental income taxes generated by the larger number of working parents in the province more than covers the full government cost of the program.

A Five-Year Plan

A scale-up to full universal child care in New York would take 5 years. NYUC recommends growing access to additional children every year, while simultaneously investing in sustaining wages for child care workers and making critical infrastructure investments to ensure child care capacity and government processes are ready for a universal program.

For New York to remain a place where families of all income levels can live, work, and thrive, we must invest in child care. Voters have said they support universal child care. We know how to do it. It is time for our policymakers to be bold and to set a national example for what is possible when a state prioritizes the needs of its children and their families.

An investment in child care is an investment in New York's economy and continued growth.

How We Get There—the Path to UPC

1

Year 1: Make 3-K and Pre-K truly universal in New York City and expand free preschool access across the state; in targeted areas, begin expanding access for younger children.

2

Year 2: Ensure every 3- and 4-year-old statewide has access to free preschool and grow access for younger kids, focusing on 2-year-olds.

3

Years 3–4:

Expand access for younger infants and toddlers (6 weeks to 2-year-olds) statewide.

4

5

Year 5: Universal public child care available to all children from six-weeks through five-years-old statewide.

Introduction

IN 2023, New Yorkers United for Child Care came together to address a growing crisis: **child care has become unaffordable and inaccessible for families** in New York City, pushing parents and would-be parents to question whether they could continue living in the city they love. Families spend more than rent—and sometimes more than college tuition—to put their young children into child care, if they can even find a slot with a provider that is accessible to them. Families shared a common sentiment that they felt like they were on their own, just trying to hang on financially and emotionally until their children were old enough for public pre-K or kindergarten. Though parents, advocates and child care providers had been tirelessly pushing for child care policy changes in New York for many years, no campaign existed solely to represent, organize, and build power among the parent community in New York City to fight for early childhood care and education.

The first year of NYUC's work was necessarily reactive. The very same weekend that New Yorkers United launched, Mayor Eric Adams announced devastating budget cuts to the city's preschool program, threatening families' ability to access the services for 3-year-olds—known as free 3-K for All—that many

caregivers had been counting upon. For months, the campaign pushed back fiercely against these cuts. Parents of young children are not typically known for having excess free time. And yet, thousands signed petitions, showed up at rallies, and shared their deeply personal stories to tell policymakers why more investment in early care and education is desperately needed. NYUC's tireless organizing and the support of City Council members led to the restoration of some 3-K funding and more families gained access to services as a result. However, this came only after parents endured months of uncertainty, stress, and headache without certainty they would get the services they needed.

It is critical that we continue to push our elected officials to deliver on what parents need right now by saving the free programs they came to depend on. It is equally important that we dream big and reach for a more ambitious future. This roadmap represents a shift for the campaign; rather than just reacting to budget cuts, **we are taking a more forward-looking position and building a five-year roadmap for a universal, publicly-funded child care for New York State**. This roadmap makes the case for why we need universal child care, lays out the core design

More than 80 percent of New Yorkers cannot comfortably afford child care for even one child

principles, and provides the initial cost and revenue options. New Yorkers are already paying for child care, with a collective outlay of about \$14 billion annually. Rather than asking families to shoulder this burden on their own and all at once, a publicly-funded program should be considered an investment in our collective future. The economic cost to New York of continuing to operate with a patchwork child care infrastructure is far greater. Families with children under six are twice as likely to leave New York than other households, often citing the cost of child care, and the State's economy is missing out on billions of dollars in tax revenue and economic activity.

Though we are focused on children under five in this report, the need for child care does not magically vanish when children start kindergarten. The school calendar leaves gaps in the mornings, afternoons, and evenings, and on holidays, vacation days, and throughout the summer. School-aged child care programs face many of the same operational hurdles as care settings for young children, and families face many of the same challenges with access and affordability. This report and the work of New Yorkers United for Child Care is focused on children under five because the cost and constraints of child care for the youngest children are placing unprecedented

financial and emotional stress on their caregivers. That said, we absolutely need more investment in care for school-aged children as well.

This roadmap stands on the shoulders of other efforts championed by groups like the Empire State Campaign for Child Care and the many organizations that comprise the coalition. This policy platform is also deeply informed by parent voices. We are endlessly grateful to the parents, grandparents, would-be parents, honorary aunts and uncles, and other caregivers who have shared their stories and whose perspectives inform our views, and who continue to fight with us to win a future that makes New York affordable.

To all New Yorkers, we ask: imagine a world where every young child has a safe, nurturing environment to learn, grow and thrive; where every parent has the confidence and security that their child will be cared for, allowing them to work and sustain their families; and where every New Yorker can benefit from a social infrastructure that allows our economy to flourish and a diverse population to continue calling our state home. Many parents today face the painful reality that to raise children, they need to leave the city and state they love. For people who have lived in New York their whole lives, for people who moved here to make a better life for their families and benefit from all the city has to offer, and for people who have given their professional careers to making New York a better and more vibrant place, being forced to leave is especially devastating. Imagine a world instead where parents can save thousands of dollars for their children's futures, rather than going into debt just to afford the basic necessity of child care. It's not such a radical vision—but it will take all our support to make it happen.



"My family spends \$16,800 a year on full-time child care for our son. Before he turned 2, we were paying \$20,400 a year from the time he turned 4 months old. Because we couldn't afford the options in our neighborhood of Forest Hills, we have our son enrolled in a day care outside the neighborhood that requires us to drive at least 30 minutes round trip before we head into the office on the subway to work each day.

My wife also has a second part-time job to keep our finances steady and keep us on track to meet our future financial needs. I grew up in Queens, and so did my wife. We love this city but it feels like each day it cares less and less about hard-working NYC civil servants like us."

—Edgar, Forest Hills

Why Child Care Must Be Publicly Funded

Accessible, high-quality child care is critical for children, families, and our economy to thrive.

Benefits of Universality

FOR CHILDREN: There are 1.18 million children in New York State under five, including just under 500,000 in New York City. For children, the earliest years are critical: 90 percent of brain development happens before a child turns five, with a majority of that development taking place before age three. Exposure to high-quality early learning environments has tremendous benefit for a young child's learning and development; relationships with caring, responsive adults literally shape the architecture of young children's brains.

FOR FAMILIES: For most families, access to early care and education is essential. Parents who have access to affordable, reliable child care are able to participate meaningfully in the workforce, benefiting their own long-term financial viability and enabling economic mobility for their children. Without child

care assistance, parents suffer; the U.S. Surgeon General has warned about the physical and mental health impacts that caregiving responsibilities can place on adults. The unpredictability, financial strain, and logistical gymnastics caused by our patchwork child care system wreaks havoc on parents' psychological health—and disproportionately on mothers. Child care programs can offer critical opportunities for social connection for parents in what are otherwise isolating, challenging years, as demonstrated by research conducted in New York City.

FOR OUR STATE'S ECONOMY: A robust child care system pays meaningful returns for employers and for the economy at large; investments in child care generate a 13.7 percent return. Researchers at Cornell University ILR Buffalo Co-Lab found that public investment in child care would generate one of the highest job-creation rates of any sector. Child care is infrastructure, and it is economic development. A failure to recognize this comes at a cost: parents opting out of the workforce or facing work disruptions because of child care cost the U.S. economy an es-

estimated \$122 billion a year. Meanwhile, New York State is projected to spend over \$13 billion in the name of 'economic development' in the next year, without clear evidence that the investments will actually bring benefit to the state.

NY's Patchwork Offerings Do Not Work for Families, Providers or Our Economy

Challenges for Families

LIMITED SUPPLY: Quality child care in New York State is currently inaccessible—statewide, there are more than three children under six for every licensed child care slot; for infants and toddlers, the gap is even wider. New York's child care landscape is consistent with national research findings that licensed care for infants and toddlers is more than three times as scarce as care for 3- and 4-year-olds.

Despite high demand from families, supply is not growing fast enough. In fact, in 22 counties, including the area around Buffalo, the number of licensed child care slots has declined over the past two years. Studies in New York City found that child care capacity for infants and toddlers has only grown in higher-income neighborhoods in recent years. Child care availability is most dire in rural parts of the state, with as few as one child care slot to every nine children in some counties.

LIMITED HOURS: Simply having a child care program nearby may not be enough. Families face challenges with child care schedules, transportation, and whether programs can meet their child's developmental needs. In New York City, only five percent of licensed daycare providers operate between 6 PM and 8 AM; forty percent of parents in the city who are employed regularly need care during evenings, overnight, or on

weekend —and finding affordable care during these hours can be near-impossible. This quandary also impacts parents who play critical health and safety roles in the city, like hospital workers, police officers, and sanitation workers.

INEQUITABLE: Gaps in child care access hurt people of color and women disproportionately. Black and Latinx families have a harder time finding care than White families, and child care gaps are especially acute in lower-income communities of color, like the Bronx.

A lack of child care especially hurts women, who are more likely to scale back their career or exit the workforce to care for their children, creating on average a loss of nearly half a million dollars in lifetime earnings.

Recent research from Robin Hood and Columbia University found that nearly half of mothers in the labor force experienced disruptions in their work lives because of problems accessing or affording child care. These disruptions included losing or changing jobs, shifting to part-time work, declining a promotion, or declining to look for a job. These kinds of disruptions have lasting ramifications, with women who experience them more likely to face material hardship or be employed steadily at all.

A lack of child care especially hurts women, who are more likely to scale back their career or exit the workforce.

Unaffordable

Child care is unaffordable. Individually, the average New Yorker spends \$21,826 on center-based infant care and \$18,460 on care for 3- and 4-year-olds. Some families spend as much as double that. According to a survey conducted by Cornell, two out of every five New Yorkers turned down paid work because the cost of putting their child into child care was too high.

Based on a federal analysis that suggested families should spend no more than 7 percent of their income on child care, more than 80 percent of New Yorkers cannot comfortably afford child care for even one child. According to the New York Department of Labor, an average married couple in New York spends 18 percent of their income on child care; for single-parent families, child care can cost 63 percent of household income—a nearly unbelievable statistic. In New York City, the average two-parent two-parent family spends 25 percent of their income on child care for just one child.

The younger a child is, the more expensive care typically is; according to analysis from the Economic Policy Institute, the cost of full-time care for an infant in New York State is nearly double in-state tuition for a public university. Center-based care for infants in New York is more expensive than in any other state in the country. **In New York City, the average cost of center-based child care for an infant is \$26,000 annually,** though anecdotes suggest it can top \$40,000 in some areas of the city. Home-based care is marginally more affordable, at an annual average cost of \$20,800 for infants.

For most families, the cost of child care hits when they can least afford it. At the time when people are having children, they have not yet hit their peak in-

come—and childbirth can often slow income growth, especially for women. Growing families often require more physical space, forcing New Yorkers to contemplate higher rents at the same time as they have to make outlays for child care. And unlike college, which families may be able to save for over 18 years (and for which scholarships and other payment plans may be available), child care costs hit a family's wallet all at once. A family can spend over \$70,000 cumulatively over the first four years of their child's life before reaching kindergarten—even with access to some free preschool services. For families with multiple young children, the costs are exponentially greater.

At the time when people are having children, they have not yet hit their peak income—and childbirth can often slow income growth, especially for women.

Individually, child care costs are bankrupting families. Collectively, families in New York spend approximately \$14 billion annually on care.

**Collectively,
families in New
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\$14 billion
out of pocket
annually on care.**

2 in 5

Two out of every five New Yorkers turned down paid work because the cost of putting their child into child care was too high.

80%

More than 80 percent of New Yorkers cannot comfortably afford child care for even one child.

18%

An average married couple in

There is no single authoritative source for how many New Yorkers use formal child care and what types of formal child care they use. The Census Bureau's Household Pulse Survey has, in some administrations, asked respondents to indicate what child care arrangements they used in the past seven days. This provides a somewhat comprehensive point-in-time answer to who cares for young children (see Chart 1). Nationally, this data shows that families are scraping together a mix of different care arrangements. For families in New York with children under five, approximately 1 in 5 families use a child care center and approximately 1 in every 8 use a family day care provider. Approximately half of respondents rely on support from a relative or do not use any formal care at all. (Numbers may add up to more than 100 percent because some families use multiple kinds of care.)

In the Census Household Pulse Survey, 65 percent of families in New York with a child under five reported they paid for child care in the past seven days, with an average weekly spend of \$395. At that rate, **New Yorkers are spending nearly \$14 billion a year out of pocket on child care**. The Census Bureau cautions this data is experimental and based on a relatively small sample size. Still, it provides a rough sense of the order of magnitude for what New Yorkers are spending.¹

¹ Based on the Household Pulse Survey data, we calculated a total spend of \$14.2 billion on child care based on the inputs that 65 percent of all families with a child under five were spending \$395.14 per week on care. To triangulate this estimate, we also performed a bottoms-up analysis using data from the Household Pulse Survey. We used survey data to calculate the number of children from birth to five who would be using family child care, a day care center, nursery or preschool, or non-relative care. We calculated the average spend per family in each type of care using the 75th percentile state market rate data for each type of care. This yielded a total spend of \$9.2 billion. This analysis provides a conservative estimate because it does not take into account any cost of care for the 11 percent of families who did not report their use of child care, and it does not assume any cost for relative care. Before and after care are not calculated as costs independent of other forms of child care.

The Overwhelming Cost of Child Care for a Young Family in New York

Table 1: Cumulative costs in New York City

Child Care Cost for Two-Child Family – Before Kindergarten: \$122,000					
One infant	One toddler	One 3-year-old + One infant	One 4-year-old + One toddler	One child in elementary school + One 3-year-old	One child in elementary school + One 4-year-old
Home-based infant care: \$20,800	Home-based toddler care: \$18,200	3-K afterschool: \$12,000 Home-based infant care: \$20,800	Pre-K afterschool: \$10,000 Home-based toddler care: \$18,200	3-K afterschool: \$12,000	Pre-K afterschool: \$10,000

If this family chose center-based care instead of home-based care for the infant and toddler years, their cumulative cost would rise to **\$142,800**.

Table 2: Cumulate costs Outside New York City

Child Care Cost for Two-Child Family – Before Kindergarten: \$134,680					
One infant	One toddler	One 3-year-old + One infant	One 4-year-old + One toddler	One child in elementary school + One 3-year-old	One child in elementary school + One 4-year-old
Home-based infant care: \$16,380	Home-based toddler care: \$15,600	Center-based preschool: \$17,680 Home-based infant care: \$16,380	Center-based preschool: \$17,680 Home-based toddler care: \$15,600	Center-based preschool: \$17,680	Center-based preschool: \$17,680

If this family chose center-based care instead of home-based care for the infant and toddler years, their cumulative cost would rise to **\$148,720**.

THIS ANALYSIS IS INSPIRED BY similar depictions included in the [Citizens’ Committee for Children’s 2023 report on child care affordability](#). Full-time care estimates come from the [2024 state market rate survey](#), using the 80th percentile weekly cost with figures annualized. Home-based care would be lower. The market rate reflects costs that parents in New York are paying today for care; as explained in later sections of this report, it is a flawed figure, but it is the best representation of what parents spend currently. In NYC, rates for aftercare for 3-K and Pre-K are estimated based on parent feedback about the cost they

pay to cover hours and days outside of the preschool calendar. In the second scenario, which can be generalized to cities and suburban areas upstate, this analysis assumes a family does not have access to any kind of free preschool. Neither chart includes the ongoing aftercare costs for elementary school-aged children. The cumulative cost in a rural community would likely be a bit lower than these two charts, though families in rural communities face significant constraints in their child care options because of supply gaps. These cumulative estimates do not account for inflation and annual price increases.



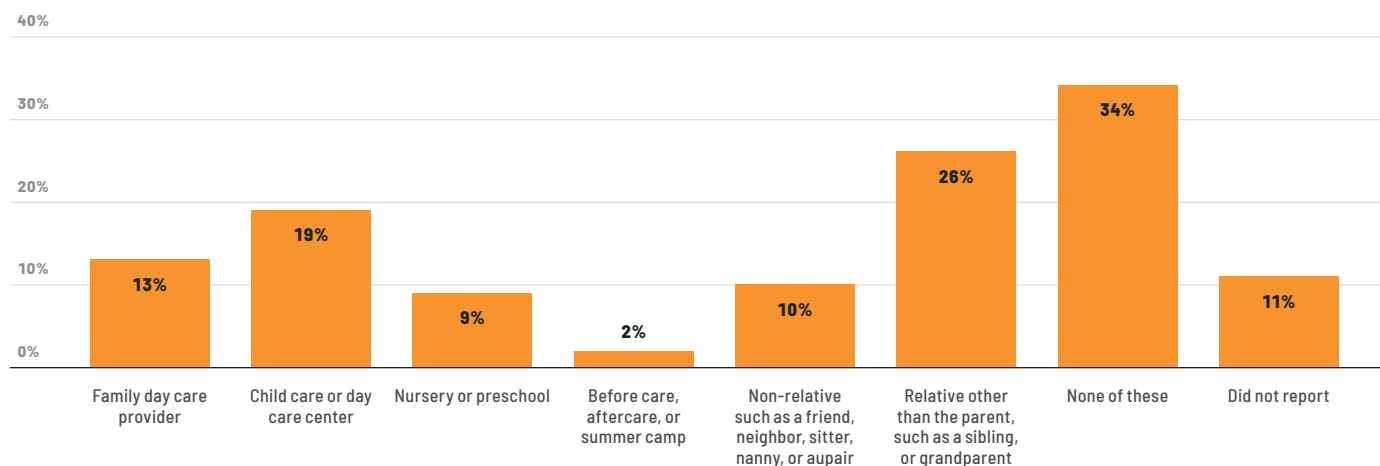
"If our landlord wasn't charging below-market rent, I don't know where we would be able to live and afford child care... I went back to work as a scientist at a nonprofit, but only part-time. Our son goes to day care — at a discounted rate of \$2,000 per month — three days a week for abbreviated hours, when my husband, who works in education, can pick him up. For now, it's not possible to take any real next steps in my career. I'd have to make sure for any promotion I get, it would be enough to justify sending him to day care. It would wreck our very sensitive but working plan that we have right now."

—Hilary, Williamsburg

CHART 1

Child care arrangements for families in New York with children under five

Care used in the prior seven days, as surveyed in Sept. 2022



Source: Census Bureau Household Pulse Survey, Week 49, 2022—Table 1: Household Child Care Arrangements in the Past 7 Days

Provider Challenges

The child care system does not work for providers, either.

Child care businesses are costly to operate; low adult-to-child ratios are necessary to ensure safe environments, which combined with New York’s minimum wage, drives up the per-child cost. Personnel costs make up 70 percent or more of many child care providers’ expenses. However, there is a fundamental mismatch between what providers need to run a high-quality business and what they receive through public funding sources, or what parents can afford to pay in fees. As a result, child care workers are making poverty wages; the child care workforce, which is dominated by women of color, earns less than nearly any other occupation in New York State. They are also less likely to receive benefits, including health insurance, paid time off, and contributions toward re-

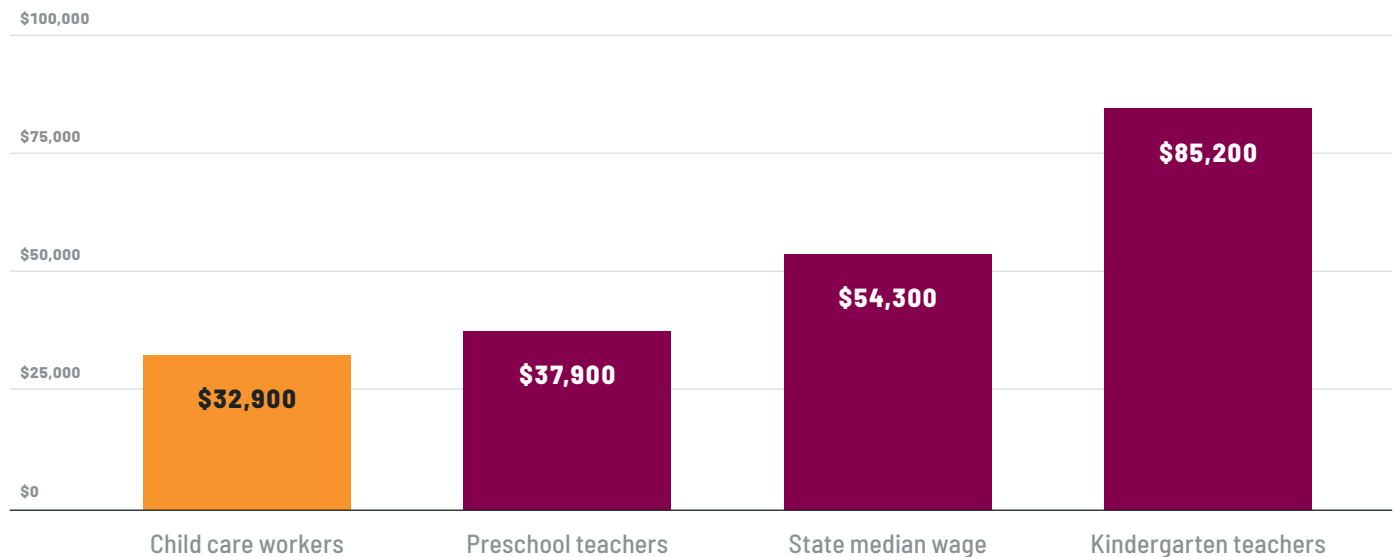
tirement. Large numbers of child care workers receive cash assistance, SNAP, and other public benefits to make ends meet for their families.

New York is losing child care providers: there were approximately 2,500 fewer licensed child care providers for children under five in New York State in 2023 than there were in 2015. This is largely the result of smaller home-based child care operators closing their business. Total licensed capacity is up slightly, as larger providers have been more able to sustain and grow their businesses, but the closures of smaller home-based providers have been devastating for the livelihood of these business operators and the families they serve.

We define ‘child care’ to include all settings where adults care for young children and support their development. This includes day care and preschool services, which can be provided in child care centers, schools, and homes. The State uses many different

CHART 2

Child care workers earn below the median wage in New York; their wages are half of what kindergarten teachers make



Source: [New York State Department of Labor](#)

terms and definitions for care settings, and places different types of child care under the auspices of different regulators. From a family's perspective, the bureaucratic definitions may be meaningless; families typically choose between child care settings based on availability, cost, linguistic and cultural preference, and other factors. (See appendix for a detailed overview of child care settings in New York State.)

Statewide Economic Impact of Shortage

The economic fallout of New York's broken child care infrastructure impacts everyone—not just parents.

There is a profound economic impact on the city and state because of parents stepping away from the workforce or downshifting their careers to meet their

family's child care needs. Businesses experience losses in worker productivity and higher turnover because parents quit or miss work because of child care needs. And with many New York families spending a third or more of their income on child care, they have less money to spend on other goods and services. All told, New York City's Economic Development Corporation estimated that child care gaps led to a \$23 billion decrease in the City's economic output, a \$5.9 billion drop in disposable income, and \$2.2 billion less in tax revenues in 2022. Other analyses found that statewide, the gaps in infant and toddler care specifically cost the State nearly \$10 billion in lost earnings, productivity, and revenue.

There is an even greater looming crisis as the rate of young families leaving New York continues to rise. New York State lost a disproportionate share of its middle-income residents during and immediately after the onset of the COVID-19 pandemic, costing

STATEWIDE ECONOMIC IMPACT OF SHORTAGE

Families with children under six are twice as likely to leave New York City than other adults.

50%

Manhattan and Brooklyn are on pace to lose as much as 50 percent of their under-five population

\$23B

Child care gaps led to a \$23 billion decrease in the City's economic output, a \$5.9 billion drop in disposable income, and \$2.2 billion less in tax revenues in 2022.

the State over \$20 billion annually in tax revenue. In the five boroughs, families with children under six are twice as likely to leave New York City than other adults, often citing the cost of child care as a driver.

The population of children under five in New York City declined at a faster rate than any other major metro area over the past several years, and Manhattan and Brooklyn are on pace to lose as much as 50 percent of their under-five population over the next 20 years. New York City's school system is preparing for enrollment to drop by as much as 230,000 students (or 26 percent) over the next decade. Fewer students means fewer resources, which could hollow out the system further. Some fear this could lead to a 'doom spiral' that drives even more families out of the public school system and the city more broadly. Widespread flight among middle class families has the potential to fundamentally reshape New York City.

NY's Efforts to Expand: Gaps & Limitations

Despite some progress and public investment, large gaps and structural problems remain in the child care infrastructure.

Federal funding for early care and education is fragmented and insufficient—most states can only serve a fraction of eligible children with the available resources. New York is no exception, utilizing multiple federal funding streams to offer care to a portion of eligible children today. (See appendix for more detail on these revenue streams.) Each funding stream comes with its own restrictions and is insufficient on its own to meet family needs; the current child care system does not work, not in spite of how it was designed, but because of it. Child care funding does

not need to be this complicated—it just needs to be designed to actually meet the needs of children and families.

Historically, and especially in the last decade, the City and State have made meaningful investments in early care and education, motivated by the desire to make New York a more supportive place for families and children to thrive. **But access is still insufficient and uneven, and families are still left to navigate a maze of potentially available services.** While fragmentation in funding and governance is partially due to the way that the federal government directs its funds to the state, New York's administration of early childhood education complicates the way families access these services. Funding for child care is overseen by the New York State Office of Children and Family Services, which works with county-level social service districts to administer funds. Funding for pre-K is overseen by the New York State Education Department, which works with local school districts to deliver preschool services. For a family, there is minimal distinction between child care and pre-K—both are safe spaces for children to grow, learn, and thrive. However, the State treats child care and pre-K as wholly different programs, which creates confusion for families and introduces significant bureaucratic complexity.

Growing access to pre-K in New York City, but challenges remain.

In New York City, the free preschool program—3-K and Pre-K—has been a critical lifeline for families. Since 2014, the

The Critical Role of Provider Perspective

Our report focuses on the voices and perspectives of parents because they make up the membership of New Yorkers United for Child Care. However, it is also critically important that policymakers listen to the voices of child care workers. We are grateful for the leadership of groups that are working to elevate these voices, like [ECE on the Move](#), which organizes child care providers in residential settings in New York City; [DC 37 Local 205](#), which represents some child care workers in New York City; [CSEA/VOICE](#), which represents child care workers outside of New York City; and the [Day Care Council](#), a membership group for child care programs in New York City. This list is not comprehensive and biased toward New York City; there are many other groups working to organize, represent, and build power with child care workers across the state.

A few resources to read more from the perspective of child care workers themselves include:

- [“The Enduring Value Of The Early Childhood Workforce,”](#) from the New York City Council Black, Latino And Asian Caucus and The Day Care Council Of New York
- [“What Daycare Workers and Preschool Teachers Think About Their Jobs,”](#) published by the Cut
- [“New York: A Child Care State of Mind,”](#) a joint collaboration between MomsRising, the Empire State Campaign for Child Care and ROC-NY that includes stories from parents and providers across the state
- [“New York Teachers' Voices: Work Environment Conditions That Impact Teacher Practice and Program Quality,”](#) Center for the Study of Child Care Employment

It is worth noting that many child care providers are parents themselves. Statewide, [94 percent](#) of child care providers are women. Research from other states shows that many home-based child care providers first entered the profession because of a desire to care for their own children, which turned into a passion and a career. With the low wages they earn, child care workers are ironically often unable to afford care for their own children. Some states have made child care workers categorically eligible for child care subsidies; this is not yet the case in New York, though some [have proposed it](#). Inability to access affordable child care may be one of the factors fueling high turnover, particularly among younger child care workers, contributing to the broader workforce shortage.

Family Experiences with 3-K

AT MULTIPLE POINTS during the spring 2024 3-K application cycle, including just before the start of the school year in August 2024, New Yorkers United for Child Care surveyed parents about their 3-K application experience, including whether they had received an offer initially or later, off of the waitlist. Here are some of their stories:

- **Mom in Long Island City:** “We spent all summer staring at 3-K waiting lists. We finally got an offer in August to a program that is 25 minutes away, but it does not offer afterschool. I have to leave work to pick up my daughter at 2:30 PM and take her to another program. We are really stretching ourselves to make this work.”
- **Mom on the Upper West Side:** “In mid-August, we received a 3-K offer from a daycare that we had put as #1 on our list ... We had already paid a deposit, a bunch of other fees and the September tuition for the private program, but we are still happy about the future savings.”
- **Dad in Astoria:** “We are waitlisted for 8 schools in Astoria, Queens. We do not have a car and have a newborn as well. We were offered a seat at a school in the Bronx. ...Who would take a 2 year old into Manhattan and then up to the Bronx on public transportation to get into 3-K?! Insane.”
- **Mom on Staten Island:** “The process to apply for accessible locations was ridiculous. Luckily, we were placed at a location that accommodates my child’s wheelchair, but the process was very uncertain.”
- **Mom in Flatbush:** “Our placement was based on our priority having attended this day care (with a paid spot) while our child was two. It seems unfair that we had a better chance because we had the ability to pay for care in the previous year.”
- **Mom in Washington Heights:** “We got a seat pretty far from our house and in the opposite direction from our other child’s day care. We had to take the spot we were offered, even though it is very inconvenient and will add about an hour to our pick-up and drop-off of both kids every day because we can’t afford daycare for two kids.”

Despite the challenges many families faced, for thousands and thousands of families, there was a happy ending to the 3-K application process. It is also critical to highlight and celebrate these stories to emphasize the benefits and to make clear how valued this program is.

City has offered free preschool to every four-year-old that wants it. Starting in 2017, the city began to offer preschool services to three-year-olds with the goal of making the program universal. Free preschool in New York has led to academic gains for children; increased employment among parents, especially mothers; and put money back into families’ pockets.

However, there are still major gaps in the system. First, the promise of 3-K for All has not been fully realized, creating a sense of scarcity and uncertainty among parents who do not know whether they can count on access to care for their three-year-olds. City Hall has pointed to a surplus of 3-K seats as one reason to cut city funding, but this does not match the experience of families on the ground. **As the city slowed its 3-K expansion, it placed families in a bind.** Many families had been relying upon the city’s commitment to offer a 3-K seat to every child and were left scrambling without an offer or with a placement that requires an untenable commute. There are additionally discrepancies between seat availability and where families need those seats—some neighborhoods have excess capacity, while others cannot meet demand.

With scarcity comes inequity. Families typically receive priority at a 3-K program if they have an older sibling already enrolled, or if they are an existing student in a private program for 2-year-olds at the same program. In some neighborhoods, this has led to much greater competition for paid toddler slots at day care programs that also offer free 3-K.

Second, children with disabilities have never had their needs fully met by the city's preschool program, despite a legal mandate requiring that they receive developmentally appropriate services. In the 2023-24 school year, over 700 children with disabilities were left without a preschool slot that could meet their needs and thousands of preschoolers with disabilities ended the year without even starting at least one of their mandated services.

Third, the City's definition of 'full day' pre-K maps to the school day, meaning **working parents need to find another option for care before the school day starts, after 2:30 PM, over the summer, and during school holidays and breaks**—a total of 84 weekdays over the course of a year. This creates added cost and logistical complexity, and it may prevent some families from participating in the program at all. There are some extended-day programs available for families that qualify, but they often go underutilized because families may not know about them or struggle to qualify. The City recently launched a pilot to expand the number of extended-day seats and to make them available without means-testing, though they are not available in every community and do not cover summer. While this is no different than the challenge faced by elementary and middle school parents, there are fewer options for afterschool for preschool-aged children, and the cost is typically higher.

Lastly, State regulations limit the City's ability to offer pre-K in home-based settings, which may be a deterrent to families who prefer those programs for linguistic, cultural, or other reasons. The City does offer some 3-K spots in home-based programs; other states have demonstrated it is feasible to offer high-quality pre-K for four-year-olds in home-based programs. This is relevant in New York City, where some families may prefer home-based care, and even

more relevant in rural communities upstate where home-based care may be the primary or sole option convenient to families.

More limited preschool access in the rest of the state.

Outside of New York City, pre-K is much further from universal. While the State has invested more in recent years, most localities have not been able to invest in growing services at the rate that New York City has, and services cannot be sustained on State dollars alone. Many smaller school districts do not have the infrastructure in place to support a program at universal scale. Statewide, approximately 69 percent of four-year-olds have access to pre-K, but that average is heavily skewed by New York City; the share is much lower in nearly every other region (Chart 3). State-funded preschool for 3-year-olds is much more limited, reaching just a few thousand children statewide; in New York City, 3-K is almost entirely a city-funded program.

An expanded child care subsidy program still has barriers to participation.

Under Governor Kathy Hochul, New York State has increased access to the Child Care Assistance Program (CCAP), which uses a mix of federal funding and State contributions to give income-eligible working parents access to child care while they are working or in education or training programs. (Families who are homeless and who are involved in the child welfare system may also be eligible.) In 2022, Governor Hochul pledged to add \$7 billion to the program over four years to expand eligibility to the program to include families making up to 85 percent of the state median income (SMI). (The figure varies by family size. In 2024, 85 percent of SMI equates to about \$108,000 a year.) In the Fiscal Year 2025 State Budget, the State is allocating over \$2 billion



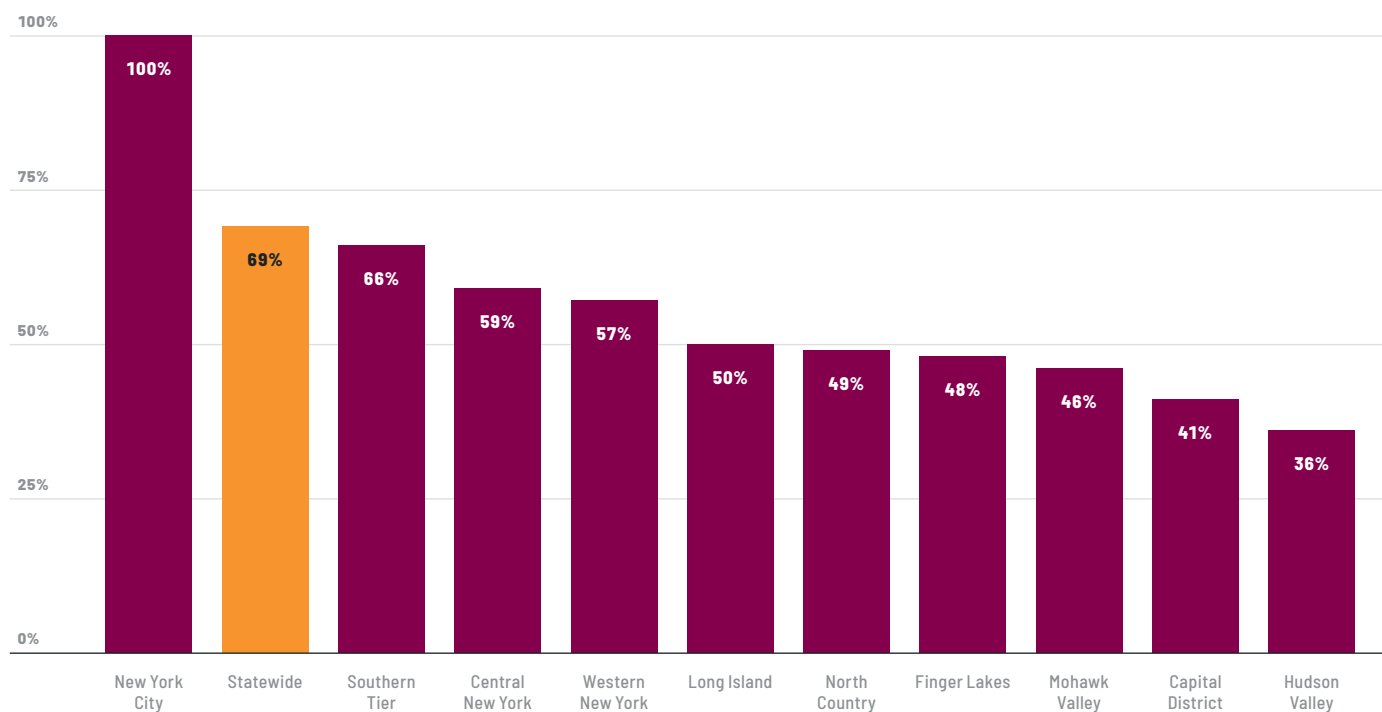
"I have a 3 year old, who we are lucky got into 3-K and that's saving us almost \$400 on child care. I just had twins and once I'm done with leave, we will be paying over \$46,000 a year for our kids to be in care—even with one of them spending most of the day in a public program. It makes it hard to imagine staying in New York City with a family of 5."

—Kristyna, Washington Heights

CHART 3

Enrollment in free preschool varies statewide, with far less access and local investment outside New York City

Share of 4-year-olds with access to full-day pre-K services by region



Source: New York State Department of Education; data from 2022-23 school year

to child care assistance—about half comes from the State’s general fund, and the other half draws from the federal Child Care Development Fund (CCDF) and Temporary Aid to Needy Families (TANF) funds. Counties contribute a required match to help fund CCAP; most contribute the minimum, though New York City contributes more.

In most parts of the state, CCAP benefits are given to families as vouchers that they can use with formal and informal child care providers. The State reimburses providers who take vouchers based on what is called market rate—a calculation that considers typical child care fees based on provider type, geography, and the child’s age. The market rate is

a flawed methodology: it does not reflect the true cost of care because child care programs set their rates based on what parents can afford to pay; they may keep their tuition rates below their actual costs and make up the difference the only way that they can—by paying themselves and their workforce very low wages. In New York City, in addition to using CCAP for vouchers, some child care funding is also used to fund contracts that the City holds with child care providers who serve income-eligible children.

There are many more families eligible than the child care subsidy program has capacity to serve. Estimates vary, though some suggest **as few as one in ten children** eligible for subsidized child care under

5 are served today. (By comparison, 87 percent of New Yorkers eligible for nutrition assistance through SNAP participate.) In some recent years, the State has not used its full federal allocation of child care funds. Participation dropped during the pandemic—some families lost eligibility because they were out of work—and the State was able to access federal relief funds. Because the State can roll funds over from year to year, there has been a bit of a buffer the past few years; there is risk in the near term that CCAP will run out of money and will not be able to meet demand among families, even if just a fraction of eligible families opt in.

The take-up rate for child care subsidies is low for many reasons, though the primary barrier is that there are strict eligibility requirements that families must meet to receive care. A family's household income must fall below the eligibility threshold, but families can also make too little money to qualify; families that earn below the minimum wage, which impacts those working in the gig economy, paradoxically do not qualify for subsidy. Parents must present a 'reason for care' that meets the State's regulatory requirements and are eligible for care only during the hours when they are working or at school. There are immigration status requirements for children, which keep away families that need care and families that may be fearful to apply because of their status. And because of all the requirements, families must complete an onerous application process to demonstrate their eligibility. Many families are deterred entirely by the application, may struggle to properly complete the forms, or may be wary of providing so much personal information to the state. The State recently launched an online application, which may make it easier for families to apply for CCAP, though this new application is not available to families in New York City because they can apply through the city's MyCity portal.

While the State's recent investments meaningfully expand the pool of who is eligible, continuing to make more families eligible for subsidized care will not solve the underlying fundamental problems with means-testing. (Means-testing—a term often used in relation to social services and public benefits—is the process to determine a person eligible for benefits or assistance based on their income and/or other factors.)

Some of Governor Hochul's more recent statewide investments in child care have focused on business as a lever to impact child care access—for example, by offering businesses that provide child care as a benefit with tax credits and other incentives. However, initiatives like this have an uneven impact—only some New Yorkers work for the kind of employer that can even take advantage of such a credit – and there is a pattern nationwide of business tax credits for child care going underutilized. Tying child care access to employers does not necessarily consider the needs of the child: What happens to a two-year-old who is learning and growing in an employer-sponsored child care program when their parent gets laid off and they have to leave their program?

Growing Demand from Parents.

New Yorkers United for Child Care grew out of the gaps in our current child care infrastructure, and the immediate traction this movement has garnered proves why investments in child care are so essential. New Yorkers United for Child Care is a movement powered by parents and would-be parents who believe our government must invest more in child care to make New York a place for families to live and thrive. NYUC is harnessing the collective power of parents, who are demanding that their voices be heard.

In less than a year, NYUC has demonstrated that parents are ready to be engaged in this policy fight. The campaign launched days after Mayor Eric Adams announced significant budget cuts to the City's 3-K program – and NYUC spent months gathering petition signatures, organizing events and rallies, and lifting up parent voices in the press and political arenas. In less than a year, the organization brought more than 6,000 parents, grandparents, educators, and New Yorkers into the movement. In its first few months, the organization raised more than \$50,000 from almost 450 small donors. The organization held more than 20 events, including strategy meetings, family meet-ups, volunteer days, and rallies, and garnered more than 50 press mentions, including dozens of NYUC members telling their personal stories. And in June 2024, NYUC delivered a petition to the Mayor with thousands of signatures from all five boroughs calling for funding restorations for 3-K and Pre-K.

With the support of vocal City Council members and other champions, the organization **successfully pushed for a reversal of some of the City's early childhood budget cuts**. As a fledgling organization—and one fighting an uphill battle against multiple budget cuts to early care and education—NYUC is proud of the victories won in the 2024 New York City budget cycle. However, incremental progress is not enough, particularly in a moment where families are fleeing New York City and State because of unaffordability.



"My son, King, is a 4-year-old child with autism. Last year, my son was at home for the entire school year waiting for the preschool special education class he needs and has a legal right to receive. I asked and asked – but the DOE did not have any seats available.

I spent hours a day trying to teach my son what I could, but I'm not a teacher. The amount of time I put into educating and caring for King made it difficult for me to care for myself and my other children. My son deserved to be in preschool learning with other kids his age. Instead, he was at home. Without the help he needed, his behaviors only got worse.

This year, the DOE has a preschool special education class for my son – but it is far away from where we live, and my son is spending two hours each way on a bus every day. My child should be able to go to preschool in our community."

—Katherine, Queens

Why Publicly-Funded Child Care Must Be Universal

UPC is for *Every Single Child* from Birth to Age Five in New York State

WE DEFINE UPC AS a publicly-funded system where every single child has access to free, high-quality early care and education that meets their needs and their families' needs. In a universal system, there would be no income limits or means-testing to qualify, no hoops to jump through to participate, and no false sense of scarcity that pits families against each other.

In UPC, all children from the time they are six-weeks old until they enter kindergarten would have access to free, high-quality child care. UPC would be available during the working day, with options for families with nontraditional work hours as well. UPC would be available in a range of child care settings with the full cost of care covered—meaning families can

choose where they attend child care and providers would be appropriately funded to pay workers a sustaining wage.

While NYUC has been focused on New York City specifically to date, we are putting forward a roadmap for the whole state for a few key reasons: First, there are major equity gaps across the state in access to care today, and addressing them is critical to New York's future; second, the State is primarily responsible for funding for early care and education, and most mechanisms to raise significant new revenue are controlled by the State; and third, the policy framework to enable a successful child care system

must come from the State, particularly as we consider the need to bring the current child care and preschool programs closer together.

The Empire State Campaign for Child Care—a coalition effort in New York—has also put forward a definition for what statewide universal child care could look like; many of the same values are echoed throughout our proposal.

New York State must create a universal system, over one with means-testing.

- **Most democratic option:** As a country, the United States decided long ago that public education was a right that should be afforded to all people (though it took time for that ‘all’ to truly include all Americans, and there are still significant equity gaps). Public education is a universal right because we accept as a nation the value of having an educated population and view it as a collective responsibility. Given what the research tells us about brain development in the early childhood years, and the impact of quality early childhood education on long-term academic and social outcomes, it is in all Americans’ best interest to ensure all children participate in quality early learning. We don’t question whether every child in the country should be able to enroll in second grade. We should do the same for the most important years of a child’s development.
- **Higher participation, especially among the families that need it most.** Families that want to access pre-K (at least in New York City) provide their address and proof that their child is four-years-old. That’s it. Families that want to access child care subsidies must complete a multi-page application with detailed information about every member of their household, including immigration status, and submit pay stubs and employer verification. It’s no wonder that universal pre-K slots fill at high rates, while a large number of those with means-testing sit empty, even in areas with great need. Complex eligibility determination processes inhibit families from accessing care and can be stigmatizing and demeaning. These processes also place an incredible time burden on families that are already struggling, and can be particularly inaccessible for families with lower levels of literacy or who speak a language other than English.
- **Reduces unnecessary bureaucracy and administrative waste.** Today, New York State spends millions of dollars to police eligibility and keep families out of child care. There are significant administrative costs to managing these processes that could otherwise go toward funding care for children. Researchers have estimated the cost of means-testing for programs like food assistance and cash assistance cost between 15 to 40 cents of every dollar of benefits distributed.
- **Supports upward economic mobility and financial freedom.** Means-tested child care stifles family economic growth. Families who have access to child care subsidies must remain below a specific household income to continue to qualify for the support; this can trap parents in low-wage jobs because they would otherwise be unable to afford care. In focus groups led by State Senator Jabari Brisport and the Alliance for Quality Education, parents turned down promotions and overtime out of fear they would lose child care benefits. For families who make

The overwhelming majority (79%) of New Yorkers support public funding for universal child care.

too much money to receive subsidies today, child care eats through so much of their income that it prevents them from saving for the future, or making the kinds of long-term financial decisions that would propel their families forward. In the same statewide focus groups, families talked about the impossible choices they faced between paying their mortgage or rent and paying for child care, and about going into debt to pay for care. A universal child care system would allow all New York families to get ahead, and to make the kinds of fiscal choices that would benefit their families and the broader economy.

- **Makes child care businesses more viable to operate.** Providers face burdensome administration and paperwork requirements to serve children in the child care subsidy system. This may deter some providers from accepting subsidies at all. Pivoting to a universal child care system would not automatically address all the challenges facing providers, but if implemented thoughtfully, such a system could ease some operational burdens for providers and potentially make their business model more viable. There are other critical steps that policymakers could take within a universal child care system to make child care businesses more viable, like supporting a higher wage floor, raising the reimbursable rate for care, and streamlining regulation.
- **Politically popular. New Yorkers support the idea of universal child care benefits.** A Cornell University's 2023 Empire State Poll (ESP) found the overwhelming majority (79%) of New Yorkers support public funding for universal child care. In general, universal programs have wider political appeal—and staying power—than targeted programs; more people are willing to fight for their continuation even during times of economic downturn.
- **Fosters greater equity.** Researchers have found that all children benefit from racially and socioeconomically diverse early learning environments. Researchers have also found means-tested early childhood programs are more segregated than universal programs. Segregated early childhood programs tend to reinforce segregation in K-12 education and can have ripple effects on neighborhood segregation as well. Universal programs bring children together and start to break down lines of difference. This benefit extends to their parents as well, given the social connectivity between families in child care programs.
- **Leads to higher quality education.** Research demonstrates that universal preschool programs deliver higher test scores than targeted preschool programs. This is true even for the lower-income children who would be eligible in a targeted program, and holds constant across different types of preschool settings. The higher quality may be due to multiple factors, including greater efficiency in service delivery, increased pressure from families to improve quality, and the impact of socioeconomically integrated classrooms (as noted above).

Common concerns—and how they can be addressed—are outlined below.

CLAIM: Universal child care would be too expensive.

THE FACTS: The price tag that universal public child care carries is not a new cost; New Yorkers are already paying approximately \$14 billion for child care every year. Under universal public child care, we are shifting costs from individuals to the State. This means that instead of every family paying \$20,000 or more all at once, their tax dollars—and the tax dollars of everyone around them—go toward paying for child care, just as our tax dollars pay for K-12 education.

Child care is a long-term investment and a form of economic development. Researchers estimate the return on investment for every dollar spent on early care and education is \$10-13, with stronger returns in systems that start early and support children from birth through kindergarten. Other examples of universal child care programs prove their economic viability; in Quebec, where universal child care has been available since 1996, the incremental income taxes generated by the larger number of working parents in the province more than covers the full government cost of the program.

The cost of continued inaction is what should give us all pause, as the State and employers lose out on valuable tax revenue, and the State risks continued population outflow without a more robust child care infrastructure. Families with children under six are 40 percent more likely to leave New York State and twice as likely to move out of New York City. New York City alone lost \$23 billion in economic activity in 2022 because parents dropped out of the workforce

or cut back working hours due to child care. The state is losing billions of dollars every year because we do not have universal child care.

CLAIM: The public should not subsidize the cost of child care for wealthy families.

THE FACTS: A publicly-funded child care system would be far more equitable than the private system. When child care functions as a private good, everyone must pay for it out of pocket—lower-income families and higher-income families alike. While private child care rates vary somewhat, and lower-income families may be able to access free or subsidized care, the out-of-pocket costs are far more burdensome to families with lower or moderate income than they are to wealthy families. Middle-class New Yorkers are particularly impacted—they make too much money for child care subsidies, but are paying the same market rate child care costs as their more affluent neighbors.

In a universal system with progressive taxation, everyone would have access to free child care, including wealthier New Yorkers, who would be paying into the system at a higher rate. This is just like how other public benefits funded by tax dollars operate; the wealthiest New Yorkers can send their child to public school, check out a book at the library for free, or have the fire department come to their house without

The return on investment for every dollar spent on early care and education is \$10–13.

Concerns about childcare costs impact more or less every decision we make, from where we chose to live to how much we can help other members of our family. Harold's mother has some substantive health issues, and we're fortunate enough to be able to be in the position where, each month, we can help her pay for her medical expenses. When we started paying for childcare we had to seriously decrease the amount that we contribute to her medical care each month. It has worked out so far, but we wonder and sometimes worry about what will happen if her medical needs increase. We'd like to have another child but with childcare costs for our son being what they are, along with other hefty NYC expenses like housing, we just do not see this hope could ever become reality.

—Chantal and Harold, Brooklyn



charge. They are not paying for these services at the point of purchase, but they are not receiving them for free—they are paying in taxes.

CLAIM: The most vulnerable children will be left behind in a universal system.

THE FACTS: There are specific strategies that proactively ensure that the most vulnerable families benefit first. Following a theory known as 'targeted universalism,' a new child care system should be open to all New Yorkers, with specific opportunities focused on a targeted population. For example, the State should prioritize the areas of greatest economic need to be first in the roll-out of new services, and should invest in dedicated on-the-ground outreach in the hardest-to-reach communities to ensure that families participate. There should be concerted efforts to build out specialized offerings for children with developmental delays and disabilities as an early priority rather than an afterthought.

CLAIM: Children should be cared for by their parents (or grandparents) and access to universal child care would discourage this.

THE FACTS: This is an outdated and paternalistic argument. Parents should be empowered to make the decisions that are best for their own families, and supported to be the best parents they can be—not told how to raise their children. The reality is that child care is a necessity for most families; 65% of children under five in New York have all available parents in the workforce. Parents need access to child care to maintain their jobs and to provide for their families. Beyond economic necessity, parents should not have to put their careers on hold if they want to keep working. Parents—most typically women—sacrifice as much as \$500,000 in lifetime earnings (not to mention job seniority, promotions,

and other opportunities) when they step out of the workforce for child care responsibilities. That said, some parents may want to be full-time caregivers when their children are young, and that choice should be respected and supported, too. Public policy can make it easier for families to do this with expanded parental leave policies, child tax credits, and other measures investments in young families. A universal child care system doesn't mean everyone has to participate, but it means everyone has the true option to participate.

CLAIM: Child care is a personal responsibility.

THE FACTS: Data shows that everyone, including non-parents, benefits economically and socially from a robust child care infrastructure. Therefore, it stands to reason that child care should be treated as a public good. New Yorkers overwhelmingly support the idea that the government should fund early care and education programs. We don't treat third grade as a personal responsibility. Why should early care and education be any different?

Learning from Elsewhere

THE DYNAMICS OF CHILD CARE POLICY differ across the world, though there is plenty for New York and the United States to learn from. The U.S. spends an average of \$500 a year on care for toddlers, compared to an average of \$14,436 across developed countries, and rates in the Nordic countries well over \$20,000 a year.

In Denmark, every toddler is guaranteed a child care slot. Depending on the family's income, the program may be free or they may pay a very moderate amount. All Danish families with young children also receive a quarterly child benefit payment.

In France, parents can receive tax credits to cover up to 85% of the cost of care before a child turns 2, at which point they can enter public early education programs.

In Germany, children can attend publicly-run or publicly-supported programs known as "Kita" from birth until kindergarten. In some states, including Berlin, Kita is free from birth; in other states, there are sliding scale fees.

Norway has enshrined child-centric early education into law, with a values-based early childhood program that is rooted in research about child development. Their investment matches their values: the country spends 1.4 percent of its GDP on early childhood programs (compared to 0.4 percent in the U.S.) and public funding covers 85 percent of the operating costs for child care programs. Family fees at all child care programs are capped at about \$190 per month, with discounted rates for siblings. All children are guar-

anteed a spot in a program when they turn one, around the time their parents' paid leave ends. Labor force participation rates in Norway are about 10 percentage points higher than the U.S., and academic and social-emotional outcomes for children far outpace those in the U.S.

Quebec first introduced universal child care in 1998, and guarantees no family in Quebec spends more than C\$10 a day for care. All families are eligible and can utilize care in publicly-operated or private programs. The program was very much intended as a workforce support and has been extremely successful at meeting that goal; Quebec has the highest workforce participation among women aged 26 to 44 in the world. The incremental income tax that the province has generated as a result more than pays for the cost of the program. While there have been some questions over time about child outcomes within the initiative, Quebec has taken steps to address those concerns, focusing much more on workforce recruitment, training, and retention in recent years.

The Quebec model has inspired its neighbors; British Columbia launched a province-wide universal child care program in 2018, and the full nation of Canada is now implementing its own version. By 2026, every family in Canada will have access to child care for a maximum of C\$10 a day. The Canadian government is creating 250,000 new child care slots to meet demand, and many provinces are already investing in raising child care worker wages.

As we highlight later in the report, it is worth noting that nearly all other countries that have implemented universal child care plans also have robust paid family leave, giving new parents the financial security to stay home with their newborns. This benefits families and also reduces the cost of the child care system by limiting the number of infants who need formal child care.

Within the U.S., no state yet has truly universal child care for all children under five, though a few states are making major investments to expand access beyond what New York guarantees today.

New Mexico voted in 2022 to enshrine universal early care and education as a constitutional right. Since then, the state has significantly increased its spending on children under five, extending child care eligibility to children up to 400% of the federal poverty line, waiving all family co-pays for care, and expanding its state-funded preschool program. The state's multi-year strategic plan includes proposals to continue growing access.

Vermont has expanded its child care subsidy program to include families earning up to 575 percent of the federal poverty level (or \$172,000 for a family of four) – the most expansive eligibility policy in the nation – while also investing in child care worker wages.

Washington, D.C., the first place in the nation to guarantee free preschool to all 3- and 4-year-olds, enrolls over 80 percent of eligible children. Research has found a meaningful impact on maternal employment over time.

There are a growing number of states focused on universal preschool access, though the specific offerings vary. In 2023, only Florida, Iowa, Oklahoma, Washington, D.C., and West Virginia en-

rolled more than 65% of four-year-olds. No state served more than a third of its three-year-olds except Vermont and Washington, D.C.

There has been growing focus on universal access to early care and education at the city and county level in recent years, too, with local investment often outpacing state and federal contributions.

Multnomah County, Oregon, home to Portland, passed a high-income earners tax in 2020 to fund the countywide Preschool for All initiative, which will ultimately provide all 3- and 4-year-olds with fully free pre-K.

Denver first introduced its locally-funded initiative, the Denver Preschool Program, in the early 2000s—nearly two decades before Colorado began moving toward universal preschool. More recently, Denver residents voted to impose a local sales tax in perpetuity to sustain the program.

While most municipalities have focused on preschool expansion, New Orleans voters passed a tax in 2022 to expand publicly-funded care for infants and toddlers. No state served more than a third of its three-year-olds except Vermont and Washington, D.C.

What Universal Public Child Care in New York Looks Like

AT A HIGH LEVEL, UPC must be responsive to family needs, with processes that make it as easy as possible for families to participate, recognition of family preference for different types of care, child care coverage that meets the needs of working families, and expanded paid leave protections for families. There must be sustaining wages for child care providers in all settings. To ensure effective administration, there will need to be shifts in state and local governance structures to streamline bureaucracy while allowing for some local autonomy. The State will need to invest in program quality and physical capacity for child care. And, there are broader policy implications to consider, like putting protections in place to ensure private investors cannot profit off the backs of the child care system. This is a more detailed and tactical plan than others have put forward to date. However, this is not an implementation plan; we believe such a roadmap should be built upon this foundation and then co-designed with policymakers, parents, providers, and other stakeholders.

What is UPC (Universal Public Child Care)?

Free for all New York families

All kids birth to five

Full day from 8 AM to 6 PM

Nearby options that
meet family need

Easy to apply

How Universal Public Child Care Works

HOW IT WORKS – FOR FAMILIES:

1. **Free:** All families would receive a full day of child care services for free. Families can always choose to seek out other supplemental services, but this would be entirely at their discretion.
2. **All kids, birth to five:** Every family needs child care at different times, depending on their profession and ability to take leave, their personal finances, their family dynamics, and their personal preferences. When a family is ready to put their child into care—anytime after the baby is six weeks old and up until their child is eligible to begin kindergarten—they would have access to the universal public child care system.

There would be no restrictions on access—all children means all children.

3. **Full Day:** Child care coverage that meets the needs of working families. Families need care for a full working day—pre-school programs with a 2:30 PM dismissal and no option for aftercare (or only a very expensive one) are insufficient. The State should augment its preschool funding formula to enable programs to extend their hours. This is closely tied to the broader movement for universal after-school care for children in elementary and middle school, though the need is even more dire—as little funding as there is

for aftercare for K-12 education, there are even fewer offerings for preschool-aged children.

Many families need care in the evenings, overnight, or over the weekends—times when very few child care programs are available. There should be provisions within the funding model for a universal child care program that incentivize providers to offer services when families need them, and families should be able to access free child care at all hours of the day.

4. **Nearby:** No family should have to travel more than 15 minutes for quality child care.
5. **Easy To Apply:** Processes that make it as easy as possible for families to participate. For families, accessing child care should be as simple as enrolling in public K-12 education. Parents should not be required to provide information beyond proof of a child's age and the family's address. The State should utilize all available touch-points with new parents to tell them about their child care options and how to enroll, including information in the discharge packets that families receive from the hospital after child birth, enclosed in direct mailings when families receive their child's birth certificate and as part of standard information shared at pediatrician well visits in a child's first year of life.

It is true that the federal government requires means-testing for use of federal child care dollars, and policymakers in New York should do whatever they can to maximize those federal resources. However, there are ways to do this without



"My son just finished pre-K and had the benefit of going through 3-K as well. I couldn't have been happier with my experience. I chose the program over a private program because it was Spanish-English bilingual, as I am, and I knew he would get a high quality education designed by the DOE that incorporates and celebrates my heritage. And it saved me \$30K a year on child care. You would think that doctors can easily afford child care, but for many that comes at the expense of paying off huge student loans, as high as \$200K."

—**Veronica, Brooklyn**

What Accessing UPC Looks Like for a Family

1

Decide what works for your family.

Every family needs childcare at different times.

When a family is ready to put their child into care—anytime after the baby is six weeks old—they would be able to seek care.

2

Find a local provider.

Some families may already know the provider they want to use—it could be home-based private, a child care center, a school-based program, or a more formal provider.

Some families may need help to explore options; they can access an easy-to-use web directory, hotline, and in-person help center—all available in multiple languages.

3

Submit an easy application.

Families would complete a simple, easy application—no onerous paperwork needed; just proof of their child's birth date and home address.

4

Enroll.

The family would immediately be able to enroll in an available spot.

No bills—just like public education.

As their baby grows, the family could continue to work with the same care provider or explore other options—their child care would follow them to whichever setting they chose.

putting families through invasive, cumbersome eligibility determination processes before they can even enroll in care. The State could use data it already collects to calculate tax credits for working families, as well as the data it collects through the provision of other public benefits (cash assistance, Medicaid, housing assistance), to identify families that are likely eligible for federal child care benefits. As needed, the State could then collect additional information from families to verify. This kind of a back-end data matching process would need to be ironed out in much more detail and would require federal approvals, but could go a long way toward simplifying family access without sacrificing important funds.

6. Flexible: Home, Center and School-Based Options so families can choose the care they want and need. Today, families often do not have enough options for child care. This may force families into child care settings that do not meet their needs or preferences. The reality is that there is no single-best setting for early care and education; high-quality care can be delivered in many different types of programs. Even in a world with abundantly available care, not all families would choose the same setting type. For logistical, cultural, and other reasons, families may prefer home-based care versus center-based care versus school-based care. Some families may prefer a more informal setting with a trusted family member or neighbor, often known as family friend and neighbor

Making It Easier to Access Child Care

Information Needed to Qualify for Means-Tested Child Care Subsidies

- ✓ Basic information about all members of the household (name, birth date, contact information), including all adults and children not seeking care
- ✓ Proof of address
- ✓ Proof of child's immigration status
- ✓ Proof of child's age (e.g., birth certificate)
- ✓ Detail on the reason why the family needs child care
- ✓ Parents' employment details, including work location, work hours by day, and travel time to work
- ✓ Proof of income including 4 weekly pay stubs or 12 pay stubs if pay is variable, or an attestation from the parent's employer; additional documentation required for parents who are self-employed
- ✓ Detail on any other sources of income (e.g., disability benefits, cash assistance, child support)
- ✓ If not working, parent must include evidence they are in an educational activity, looking for work, homeless, or receiving services due to domestic violence or substance abuse

Information Needed to Qualify for Universal Public Child Care

- ✓ **Proof of address**
- ✓ **Proof of child's age**

care, or FFN care. The future-state system should respond to and respect all preferences.

As their child grows, a family would have the choice to continue to work with the same care provider or explore other options. Some families might prefer to stay with the same provider from infancy through kindergarten. Others might prefer to start in a more intimate setting and move into a more structured program at a school for pre-K. Some families may move neighborhoods. No matter what, their child care benefits would follow them. Regardless of setting, children would have the opportunity to experience early learning that would build their social-emotional skills and get them ready for kindergarten.

7. **Fully inclusive: Meets children's linguistic and developmental needs.** The system must also be equipped to meet the diverse needs that children and families have, including the needs of children with developmental delays and disabilities and children and families who speak a language other than English at home. Child care is not universal unless all children with disabilities are able to fully participate in programs and have their needs met. Children with developmental delays and disabilities must receive the services and supports they need in their child care programs, and there must be preschool special education classes for all children who need that more intensive support. This will require better coordination at the state and local level between the administration of child care, Early Intervention services, and preschool special education services; more account-

ability for timely delivery of services; and more support and training to help child care programs include children with a range of disabilities. To support families with diverse linguistic needs, **there must be translation and interpretation support built into every step** of the process and the system must also be prepared to support providers who speak a multitude of languages.

HOW IT WORKS – FOR PROVIDERS

8. **Easy for providers to participate.** For families to have diverse child care options, the State must make the system easy for providers to navigate, too. For providers, there should be a straightforward path to opt in to be a “New York State Child Care Provider.” Any provider that is licensed with the State should be able to participate in the program with minimal hoops to jump through. The State should consider how to support the maximum diversity of providers; this is critical to support family choice and to address the differentiated realities of New York’s varying geographies. This could mean taking a varied approach to how the state works with providers, allowing the use of vouchers and contracting for slots with child care providers. The State currently allows families to use child care subsidies with FFN providers and it should continue to find ways to support this type of care. For all providers, it will be critical that the State and local government agencies put processes in place to pay providers accurately and timely for the services they offer.

How the State works with child care providers might look different for infants and toddlers versus preschool-aged children, given differences in family preference depending on a child's age, and the provider landscape for different age groups. This does not mean that all preschool-aged children should be served in schools though; the State's pre-K program already provides a framework for community providers to partner with school districts, and these policies should be bolstered to ensure the availability of preschool in a mix of settings statewide.

9. Quality Care: More training and resources to strengthen care quality. **High-quality child care settings can have meaningful and long-lasting benefits** to the children who participate, including gains in their IQ and social-emotional skills. Conversely, low-quality child care settings can harm the children who attend them; children in lower-quality care settings are disproportionately lower-income children of color, contributing to the opportunity and achievement gaps.

The fact that some child care programs are lower quality than others is not because the providers care less about the children they serve, or because they do not want to offer quality care. It is more likely the result of less training and fewer resources. The State should make intentional investments to address this, and should develop strategies to intervene when there are major quality concerns with a provider. The State should also ensure that families have the

resources and information to select child care settings that are high-quality and that meet their needs.

10. Fair Wages: Sustaining wages for child care providers in all settings. Stronger child care wages are necessary in order to expand the child care capacity in the state. High vacancy rates and turnover in child care programs keeps classrooms closed that would otherwise be operational, limiting options for families. A March 2023 study by the Empire State Campaign for Child Care and the Schuyler Center for Analysis and Advocacy that surveyed 1,660 child care programs across New York State found 766 classrooms closed because providers could not find staff. That amounts to over 28,000 children who could not receive child care because of workforce shortages. Staffing is one of the single biggest limitations to growing child care capacity, even where funding and facilities otherwise exist. Staff turnover and the costs to recruit and train new educators eat into providers' already limited budgets.

Research also finds that a well-trained, educated child care workforce benefits the children they serve and provides higher-quality environments. If the state wants to motivate child care workers to seek the continuing education that will benefit the children and families they serve, those professionals need to be motivated by the promise that spending time and money on training will benefit them financially—just as it does in any other profession.

Additionally, fair wages are a matter of equity. Child care professionals in New York, who are disproportionately women of color, earn among the lowest wages of any workers in the state. The gaps between child care and public school teachers—a notoriously underpaid profession—are staggering.

11. End Child Care Deserts: Funding and direct support to increase capacity, particularly in areas with the greatest gaps. In New York State, 64 percent of residents live in child care deserts defined as census tracts where there are more than three times as many children as licensed child care slots. In rural communities, 73 percent of families live in child care deserts. Simply introducing a universal child care policy will not solve the state's capacity crisis, and will only serve to frustrate families, who will be met with a false promise given the overall lack of slots. It is therefore critical that the State make investments to entice child care providers and would-be providers to build capacity, such as through grants and interest-free loans to build new sites, upgrade dilapidated sites, and add additional capacity to existing sites. New York has done this before; the State used COVID-era relief funds to support its Child Care Deserts Grant program. Continued investment in child care infrastructure is a form of local economic development, with opportunities for community revitalization and local jobs.

Just offering grant funding is also not enough to induce new site creation. In the State's recent child care capital program grant, just two programs were funded in

In rural communities, 73 percent of families live in child care deserts.

the Adirondacks—a region with ten counties, nearly 25,000 children under five, and many pockets of significant child care need. In addition to capital funding, there is also a need at the state and county level for the regulatory agencies that manage child care licensing to take a more supportive approach, and to act in a more coordinated manner that could speed up the timeline for new child care sites to open. Agencies might need to explicitly invite child care providers to open up more capacity and provide the technical assistance to help them succeed.

HOW IT WORKS – FOR STATE AND LOCAL GOVERNMENT:

12. One State Agency: Cut red tape to better use resources and improve results. Today, New York State treats child care and pre-K as entirely separate programs and funds and regulates them accordingly. This creates unnecessary distinctions between services that, from a family's perspective, are not necessarily all that different from each other. The departments overseeing child care and pre-K do not share all the same policy goals, and are managed in ways that are discordant with each other.

"I started my career as a teacher in a classroom for 2-year-olds at a program in Queens, which I loved – but it just wasn't sustainable. In my first role I was paid \$13,000 a year. I switched schools to make more money, but ultimately could not keep teaching 2-year-olds – it was never going to pay enough for me to have my own family in New York City. I got a job teaching pre-K in a community-based program, where I was doing all the same work as a public school pre-K teacher, but at a much lower salary. Finally, I was able to move to a public school pre-K program, where I could get better pay and benefits. But when my daughter was born, it was hard to justify the cost of day care – especially because my work hours and the commuting time meant we had to pay for a very full day of care. I ended up staying home for longer than I expected, until I could find a job teaching pre-K at a DOE site closer to home. I am back in the classroom now, and my daughter, who is two, is in day care. As a parent though, I worry about the revolving door of teachers at her day care and what it means for her experience. I know the teachers there can barely survive on their salaries and the stronger ones will take a teaching job with the DOE if they get the chance."

—W., Queens

This leads to bureaucratic inefficiency, and fails to deliver on what families and providers truly need.

Within the State departments where early care and education oversight currently lives, it is impossible for early childhood to truly be the priority. The Office of Children and Family Services (OCFS), which oversees the state's child care system, also has responsibility for the state's child welfare system—a focus area with true life-or-death consequences to the work. The New York State Education Department (NYSED), which oversees the State's pre-K program, is primarily focused on K-12 education; given its relative scale, and given the heightened accountability within K-12 education, early education will continue to be an afterthought until the State starts to treat early education as equally valued education.

New York has an opportunity to better integrate all services for children under five, which would give a single executive purview over the different services and supports for children and families, and improve the consistency and efficacy of policymaking. New York should also elevate the importance of this work by putting all early care and education oversight into its own department. There is growing precedent for this kind of governance shift; in the last decade, several states have moved in this direction. For example, New Mexico created the Early Childhood Education and Care Department in 2020 to unify all early care and education services and to spearhead an unprecedented expansion of the state's services for children under five. In 2022, Colorado launched its new

Department of Early Childhood, concurrent with the introduction of the state's new universal prekindergarten program. Importantly, these new state departments report directly to the governor, elevating the importance and accountability for early childhood services.

Unified governance is not a precondition for universal child care—and shifting state governance structures would not be without complication—but a streamlined state agency with greater accountability to the governor and to the public would more effectively drive implementation of a major initiative. Streamlined governance at the state level would also enable more aligned governance at the local level.

- 13.** Local governance that strikes a balance between autonomy and consistency implementation. Today, New York's child care subsidy program is administered by 58 local social service districts (one in New York City, and one in each of the state's 57 other counties) and pre-K is administered by over 700 school districts. New York City has been able to move toward a more streamlined governance system with the consolidation of most early care and education programs within the Department of Education and the creation of the Mayor's Office of Child Care and Early Education. However, New York City is unique—the boundaries of the city, county, and school district are the same, and the school system reports to the mayor rather than an independent school board. Even with all these factors working in the city's favor, the system is still somewhat disjointed;

there is more to do to truly integrate services locally and create real accountability for implementation.

As New York builds a statewide universal child care model, there will need to be shifts in program administration; families need a single, clear entrypoint to access care, and the State needs to be able to hold local administrators accountable for effective implementation. Implementing a statewide program through over 700 local entities of varying scale and with very different levels of sophistication would only lead to inequities and inconsistency. The State should identify county or regional administrators—whether it is the local social services district, a school district, or another entity—to administer the program. The county or regional administrators would work with community child care providers and local school districts, who would continue to provide some preschool services. The particulars of program administration will necessarily look different from county to county based on population density, demographics, and employment patterns (and New York City will likely remain an outlier, given its unique structure). The program model will need to allow for variation and will require the state to be responsive to local needs; a one-size-fits-all approach that makes sense in communities across New York State.

SUPPORTIVE STATE POLICIES:

14. Expand Paid Family Leave: Expanded paid leave protections for new parents. The United States is the only developed nation that does not provide guaranteed paid parental leave. Other countries provide an average of more than 17 weeks paid leave to mothers, and most guarantee some leave for non-birthing parents or allow parents to determine how to split their paid leave. In many countries, the total paid parental leave period exceeds six months or a year. Among many other benefits, this allows parents to remain the primary caregiver to their children for a longer period, defraying child care costs and limiting the need for formal infant care. Parents who take longer periods of paid leave are also more likely to return to their employer and have improved postpartum mental health.

Without a national paid leave policy in the U.S., states are left to address this themselves. New York has bolstered its paid leave policies in recent years, but New York State still only covers 12 weeks at best and many parents are excluded, including anyone who has been in their job for less than six months, freelance workers, and people who may be between jobs. The level of coverage also does not equate to full wage replacement, which forces some parents to go back to work sooner, even if they can access paid leave.

If parents in New York had the safety net to stay home with their children for six months, instead of 12 weeks, it would dramatically reduce the State's infant care burden. Combined with closing the loopholes in the current paid leave policies to



“We decided to stay in NYC – and even have a second kid – because we thought we could count on universal 3-K and Pre-K. When we finally got a 3-K spot for my oldest child, it was way too far away and I couldn’t make it to work on time.

Now I need to pay for private child care and that’s costing me more than \$32,000 a year for both kids. It makes us feel like artists and working class families aren’t welcome here.”

—Caroline, Washington Heights



“Child care sure is expensive! I love my daughter’s daycare (shout out First Buddies in Bushwick) and I believe they deserve it and more because they are truly wonderful, but it is a huge expense for my husband and I. ...You figure out how to pay it and make cuts where you can – pay less of my credit card debt each month than I would like, no large sudden purchases, and god forbid something goes wrong with our car. That coupled with our rent is where the majority of our income goes toward. It’s serious and disciplined budgeting.”

The search for daycare was incredibly stressful for me. For some reason I thought it would be as simple as a Google search, but that’s not what happened. So many sites have closed in the last four years, contact information is not current, and because of all of that, space and slots are limited. I was on a waiting list and it felt like I was going to have to pay an amount that I likely couldn’t afford for a nanny. The feeling of desperation began to set in before my daycare told me she had a slot. No one should feel desperate or without options when it comes to their child’s care or education.”

—New York City Councilmember Jennifer Gutierrez, Bushwick

include all New Yorkers, we conservatively estimate that expanding paid leave could save nearly \$600 million in the overall cost of universal public child care.²

Budget analysis has shown that increasing the wage replacement rate and making more New Yorkers eligible for paid leave would have benefits equal to 20 times to upfront cost. A robust paid leave program could pay dividends in the future; in a national survey of Americans considering whether to move states for a job opportunity, a majority said that if a state had paid family leave, they would be more likely to move. The survey found that “by a 10:1 margin, adults say they would prefer to live in a state where paid family and medical leave is available than where it is unavailable.” As the state shifts toward a universal child care model, expanded paid leave must be part of the policy framework.

- 15.** Protect Against Private Equity: Protections against private investors profiting off the backs of the child care system. Private equity has a growing presence in the child care sector; 8 of the 11 largest child care providers in the U.S. are owned by private equity firms. There are real risks to the sector with this trend; private equity investors have a history of increasing family fees, depressing educator wages, and minimizing spend on supplies and materials, all in service of extracting a profit. If New York makes major investments in child care, it

could attract even more private equity presence in child care programs, given the steady revenue that would flow from public funding. The damage that private equity has done to nursing homes, hospitals, and prisons should serve as a cautionary tale of what could happen to child care in the future.

The State could consider proactive steps to limit the presence of private equity in child care and to minimize the extent to which private companies can profit off of what would be a public benefit. Recently passed legislation in Massachusetts, New Jersey, and Vermont can provide a framework for how New York could limit the share of child care funding that goes toward for-profit entities and impose budgetary requirements around educator compensation and allowable profit margins. Ultimately, the federal government may need to take action to address this growing issue, as it has started to do in other sectors.

² Over three months, the difference between 10 percent of infants enrolling in universal public child care (assumed uptake with expansive paid leave) and 50 percent of infants enrolling (assumed uptake with more limited paid leave) amounts to \$597 million. Three months represents the difference between 12 weeks and 6 months. Under a more expansive paid leave program, with paid leave for both parents, many families would be able to take even more than six combined months of leave, further reducing the total cost of infant care.

Universal Child Care Proposals in New York

TO DATE, there have been several pieces of legislation introduced at the State level and within New York City that would dramatically expand child care coverage in New York. Not all of the bills listed below would create a truly universal program, but all would represent a meaningful expansion of child care investment and access.

Statewide Proposals

Universal Child Care Act: First introduced by State Senator Jabari Brisport and Assembly Member Andrew Hevesi in 2021, this bill (S3245) would create a statewide guarantee of free child care for all children. The proposal – developed following a statewide listening tour with families and providers – would eliminate any family eligibility criteria and fees, ensure living wages for child care workers, and leverage all existing state and federal resources to support the expanded child care framework.

Early Learning Child Care Act: First introduced by State Senator Jessica Ramos and Assembly Member Sarah Clark in 2021, this bill (S4883) would implement a targeted payroll tax to expand access to fully-subsidized child care to families earning up to 400% of the federal poverty line and cap fees for child care at 7% of a family's income for households with an annual income up to \$265,000 per year. This would reach 93% of New Yorkers. The bill also included provisions to ensure a living wage for child care providers.

Forthcoming proposal from the Child Care

Availability Task Force: The State's Child Care Availability Task Force was first convened in 2018 (under the leadership of then-Lieutenant Governor Kathy Hochul) and issued a report in 2021 about the state of child care in New York, with recommendations to address gaps and challenges in the current system. The task force was formally relaunched in 2024; its mandate included "advising the state in developing an implementation framework leading to a phased-in rollout of universal child care using existing state and federal resources." The task force released a report in spring 2024 with updated findings, and is expected to release a more formal roadmap for universal child care in the coming months.

New York City Proposals

Universal Child Care: First introduced by City Councilmember Jennifer Gutierrez in 2023, this bill would require the City to develop and implement a universal child care program reaching every child from six weeks to 5 years old in New York City.

NYC Under Three: Introduced by then-comptroller Scott Stringer in 2019, this report outlined a proposal to expand access in New York City to free or subsidized care to families up to 400% of the federal poverty line with sliding scale fees to limit family expense. The proposal also included meaningful investments in child care facilities and quality.

What Universal Child Care Costs

In considering the cost of a universal child care program in New York, there are three main drivers:

1. The number of children who participate in a universal care program
2. The per-child cost of providing care
3. Administrative cost, including the infrastructure and ecosystem investments to ensure there are sufficient facilities, well-trained educators, and quality supports in place

The incremental cost to New York State to run a universal child care system for children from birth to five would be approximately **\$12.7 billion annually** once the program reaches full scale. Our full analysis, including assumptions on children participating, what settings they would be served in, how the cost of

care would be reimbursed, and what would be allocated for administration, is included in the appendix. We assume 80 percent of preschool-aged children participate, with lower uptake rates among infants and toddlers, and that providers would receive a robust per-child cost that allows them to provide a high-quality experience for children with sustaining wages for educators. We also assume meaningful investments in the workforce and facilities to enable the kind of rapid capacity growth that will be needed to serve over 660,000 children statewide. Lastly, we assume that existing state investments in child care would go toward this program and therefore offset some of the total cost, which would otherwise be over \$14 billion.

The cost to serve each age group under five varies slightly based on the total number of children who would be reached, the cost per child, and the existing state investments in preschool services. Table 3 shows the total cost broken down by the program components.

TABLE 3

Cost for universal public child care, by program component

	Expected Uptake Rate	Children Reached	Total
Care for children under 1	10% for children under 6 months ³ ; 50% for children 6-12 months	63,785	\$1.79B
Care for children age 1	60%	120,953	\$2.83B
Care for children age 2	60%	127,850	\$2.99B
Care for children age 3	80%	173,414	\$2.97B*
Care for children age 4	80%	175,971	\$1.64B*
Total Administrative cost			\$977M
Infrastructure investments			\$1.22B
Total costs			\$14.42B
<i>Current spend on child care</i>			-\$1.720B**
Total new spend			\$12.70B
Total children reached		661,973	

* Accounts for existing investments in preschool as part of cost modeling

** Includes Head Start funding and the portion of state child care funding used for care for children 0-5

Though this analysis is rooted in research, the total cost projection of \$12.7 billion should be taken as an estimate—the true cost would vary based on program design choices. In particular, decisions around how pre-K is integrated into the broader system, how child care providers should be compensated, and what ‘quality’ looks like in child care settings could shift the estimates significantly in either direction. The most comprehensive analysis on the cost of child care in New York to date, completed by Prenatal to 5 Fiscal Strategies for the Raising New York coalition, estimated a total cost of about \$20 billion. Though

we relied heavily on their work and research, we made some slightly different assumptions, particularly around uptake.

To put this cost estimate into perspective, **New York State’s total budget was over \$237 billion for the 2025 fiscal year**. A full-scale universal child care program would cost just 6 percent of that total figure. Comparatively, New York State spends over \$35 billion in State funds on pre-K through 12 education today. Taking into account local, state, and federal spend, a total of \$82 billion goes to education in New York annually.

³ The cost analysis in this report does not explicitly include the cost of an expanded paid leave program – broader fiscal analysis on the costs, benefits, and funding sources for paid leave would be required. However, for illustrative purposes, New York’s current paid leave program costs \$577 million for the benefits provided specifically to parents of newborns. If the State were to hypothetically triple its spend on family leave to close all current loopholes in eligibility and extend the length of the program to six months, the total new investment would be \$1.15 billion.

"Shortly after my daughter started at day care, I learned about the city's child care voucher program and saw that I would qualify based on my work hours and my income. I applied in February 2024 — I was not able to successfully use the city's online application because it kept crashing, so I submitted everything by mail. At the end of March, I received approval for a voucher. According to the approval letter, my weekly day care payments would be only \$1. I cannot tell you what a huge relief this would be for my family and our finances.

The approval letter asked me to provide more information about the day care provider; since March, there have been several rounds of follow up with ACS asking for the same information again or asking for new information. Throughout this whole period, I have continued to pay full price for day care because the provider hadn't received anything from the city yet.

In mid-September, I received a letter informing me that my child care benefits were being discontinued because of a failure to provide all requested information. I called ACS twice after receiving the letter, but was not able to get help over the phone. I requested a fair hearing and am waiting for it to be scheduled. The city mailed me a letter saying that my benefits would continue in the meantime, but my benefits never actually started. Six months after being approved for a voucher, I am still paying full price for day care."

—R., Brooklyn

New York City alone lost \$23 billion in economic activity in 2022 because parents dropped out of the workforce or cut back working hours due to child care.

As noted earlier in this report, we estimate that New Yorkers are collectively spending as much as \$14 billion a year out of pocket on child care. This rough estimate comes from the Census Household Pulse Survey, in which 65 percent of families in New York with a child under five reported they paid for child care in the past seven days, with an average weekly spend of \$395. The Census Bureau cautions this data is experimental and based on a relatively small sample size. Still, it provides a rough sense of the order of magnitude for what New Yorkers are spending. Even a far more conservative look at this data suggests families collectively spend more than \$8 billion on child care annually.⁴ What these staggering figures demonstrate is that a major new investment in child care by the State does not represent new spending; this represents a shift from treating child care as a private expense to a public good.

Framing UPC solely as a cost is misleading; the program would yield many multiples of the investment required. Researchers estimate the return on investment for every dollar spent on early care and education is \$10-13, with stronger returns in systems that start early and support children from birth through kindergarten. The State spends plenty of money today on so-called investments that bring far less benefit to New Yorkers than child care would. For example, independent auditors found that the approximately \$700 million that the State spends on tax credits to incentivize film production in New York is a 'net negative' to the state—meaning the anticipated return on investment is not strong. More broadly, New York is projected to spend over \$13 billion on 'economic development' in the current fiscal year; however, as the Citizen's Budget Commission noted, state and local leaders don't necessarily know that this spending is effective. Child care—which is economic development—would be a far more proven and effective lever in this strategy.

There is also the continued cost of inaction to consider as the State and employers lose out on valuable tax revenue, and the State risks continued population outflow without a more robust child care infrastructure. Families with children under six are 40 percent more likely to leave New York State and twice as likely to move out of New York City. New York City alone lost \$23 billion in economic activity in 2022 because parents dropped out of the workforce or cut back working hours due to child care. The state is losing billions of dollars every year because we do not have universal public child care.

⁴ Based on the Household Pulse Survey data, we calculated a total spend of \$14.2 billion on child care based on the inputs that 65 percent of all families with a child under five were spending \$395.14 per week on care. To triangulate this estimate, we also performed a bottoms-up analysis using data from the Household Pulse Survey. We used survey data to calculate the number of children from birth to five who would be using family child care, a day care center, nursery or preschool, or non-relative care. We calculated the average spend per family in each type of care using the 75th percentile state market rate data for each type of care. This yielded a total spend of \$9.2 billion. This analysis provides a conservative estimate because it does not take into account any cost of care for the 11 percent of families who did not report their use of child care, and it does not assume any cost for relative care. Before and after care are not calculated as costs independent of other forms of child care.

How We Pay for Universal Public Child Care

UNIVERSAL PUBLIC CHILD CARE would likely require new revenue sources to initially augment the State's general budget. In the long term, **universal public child care would likely pay for itself with the increase in income tax collection** from parents participating in the workforce in greater numbers. The increase in economic activity that results from universal public child care may even generate a surplus of revenue for the State.

In Quebec, where universal child care has been available since 1996, the incremental income taxes generated by the larger number of working parents in the province more than covers the full government cost of the program. Policymakers originally estimated that increased workforce participation enabled by universal child care would generate enough new tax revenue to cover 40 percent of the program costs.

The universal child care program exceeded expectations; once implemented, the new tax revenue covered more than 100 percent of the program costs.

Though New York's universal child care program may ultimately be cost-neutral, the State will have to tap into new revenue streams to fund the program launch. In considering what those revenue options could be, we hold a few core principles for any new funding stream:

1. **Permanent**—funding cannot have a sunset provision that would create future uncertainty for parents or providers about the program's viability

2. **Progressive**—funding cannot disproportionately harm lower-income New Yorkers; it should be applied in a manner that is proportional and fair, so that the wealthiest pay more
3. **Dedicated**—funding should be very hard for future executives or legislators to shift the funding toward something else in the future

Based on these principles, and an assessment of what the revenue-raising options are for the state, we have identified a few potential options. There may be other revenue sources we did not consider; this list should not be taken as wholly comprehensive. **This is intended as a starting place for our policymakers to consider where there might be funding they can tap into to support a robust child care system.** Whichever approach policymakers elect to take, it is possible to raise this money and make universal child care a reality.

1. **Capital gains tax—\$12.5 Billion annually:** New Yorkers worth over \$30 million make up 0.4 percent of the state's population, and collectively hold \$6.7 trillion in wealth. Much of this wealth is generated through capital gains, including earnings from investments, which are taxed at a lower rate than ordinary income federally. While the top U.S. federal income tax rate is 37% for a married couple filing jointly with earnings over \$648,000, the top long-term capital gains rate is 20% for a married couple earning over \$517,000.

This federal tax structure benefits wealthy New Yorkers, despite higher capital gains tax rates in New York. Legislators in New York have proposed a higher state tax rate on capital gains to address this discrep-

ancy. The Fiscal Policy Institute estimates this could generate up to \$12.5 billion in new annual revenue based on current proposed state legislation. This estimate could be lower based on the size of the tax increase.

The rationale for using revenue from a capital gains tax for child care is simple: the wealthiest New Yorkers can afford to pay marginally more for a system that would benefit us all and would make New York a healthier, more vibrant economy for everyone.

2. **Corporate tax—\$7 Billion annually:** Child care is often considered a workforce support, and corporations are already paying the price for our lagging child care infrastructure. Based on data from a national survey, 86 percent of primary caregivers said issues with child care negatively impacted their effort or time commitment at work, driving reduced productivity for their employers. Almost half of mothers who leave the workforce cite child care as the reason; employee turnover can cost employers up to twice the value of that employee's salary. On average, businesses lose over \$1,600 for each working parent they employ annually because of insufficient child care.

Many employers are already spending significantly on child care benefits to make up for the lacking public infrastructure, and the governor has supported tax credits to incentivize businesses to give child care benefits. However, this is inefficient at best, and inequitable at worst—not all employers can practically offer child care

as a benefit, and in many cases, their employees' needs would be much better met by a public program. Lower-wage workers are much less likely to receive child care as a benefit. Tying child care to employers can leave workers handcuffed, stifling their own career growth and mobility. And, it is not clear the strategy is effective—most state and national tax credits for businesses to provide child care go underutilized.

Instead, the State could make adjustments to the current corporate tax code to fund an expansion of the State's child care infrastructure. A corporate tax bill targeting companies in New York making over \$2.5 million in profit could raise \$7 billion annually.

Opponents would argue that it is already hard and expensive for companies to do business in New York and that an increase in taxes would alienate business leaders. The reality is that most corporations pay less in taxes now than they did 30 years ago. Furthermore, having a comprehensive child care infrastructure would make New York an even more attractive place to do business—it would unlock access to thousands of adults who are not in the workforce today and everyday New Yorkers would have more disposable income in their pockets. Supporters of employer-provided child care benefits would argue that this is a way for companies to differentiate themselves today. Employers could still offer child care benefits in the future if they so choose—for example, offering families resources for back-up care or other supplemental services. There would not be anything to stop them from doing this,

though there would no longer be a need for employers to fill a gap that can and should be met by a public service.

3. High-earners income tax—up to \$20 Billion annually. A universal child care program would be a public benefit, open to all New Yorkers regardless of their income. Asking New Yorkers with the greatest wealth to pay for this program would be one strategy to level the playing field and take on income inequality in the state. According to analysis by the Institute for Taxation and Economic Policy (ITEP), New York has the greatest gaps in income and wealth inequality in the country; the top 1 percent earn over 44 times the average income of the bottom 99 percent.

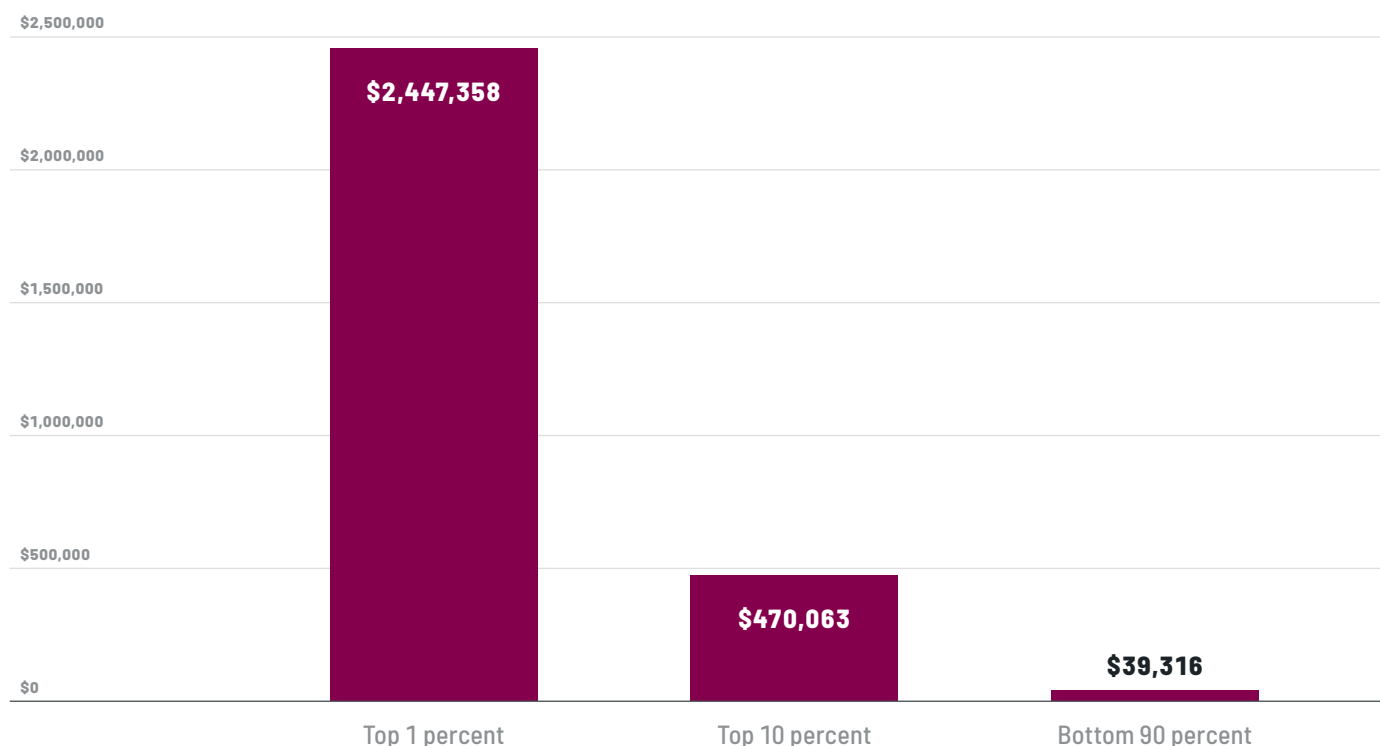
Similar policies have been passed in other places; in Multnomah County, Oregon, where a high-income earners tax funds the countywide Preschool for All program, revenue has been even higher than originally projected because of income gains among the area's wealthiest residents.

Opponents would argue that New York already has a very high income tax rate, particularly for very wealthy residents. However, New York also has one of the largest concentrations of extremely wealthy individuals; in New York City alone, there are more than 700 households worth more than \$100 million. The idea that wealthy New Yorkers are fleeing is a fallacy; the Fiscal Policy Institute found that millionaires move out of New York State at one-quarter the rate of the rest of the population during typical, non-COVID years. And, some more recent tax increases that were put into place for wealthy New Yorkers will expire in the next few years.

CHART 4

The gap between top and bottom earners in New York is greater than any other state

Average incomes in New York (2021)



Source: [Inequality in New York & Options for Progressive Tax Reform](#), Institute for Taxation and Economic Policy

The Fiscal Policy Institute estimates that progressive increases to Personal Income Tax in New York could raise \$2 to \$20 billion in new annual revenue depending on the nature of the changes. A previously-introduced legislative proposal to add 10 new tax brackets and adjust rates for the top 5% of income-earners in the state would raise an estimated \$21 billion in revenue.

There are other funding sources that have been brought up, either in other proposals in New York or in other states, that are worth noting:

- **Payroll tax:** Given the inherent tie between child care and employment, there is good rationale to also consider a payroll tax. Other child care proposals that have been floated at the city and state level have looked to a payroll tax as a potential funding mechanism, with a specific focus on the largest businesses in the state. There is precedent for dedicated line items within the state's payroll tax; this is, for example, how paid family leave is funded.

There would be some challenges with this approach—for one, the State is already

looking at payroll taxes as a potential source to fill the huge gap in the MTA's budget left by the postponement of congestion pricing in New York City. (There is already a payroll tax in place to support the MTA; recent conversations have looked at the prospect of increasing it.) A payroll tax as it is traditionally administered also does not fully meet our principle of being progressive.

- **“Sin” taxes:** Many states and municipalities have used so-called sin taxes—excise taxes on specific goods—to fund elements of their education or early childhood programs. For example, Philadelphia funds its pre-school program with a sugary beverage tax. Multiple states use tobacco settlements or nicotine taxes to fund early childhood education. Liquid nicotine and cannabis taxes have become popular new ideas. Georgia's statewide pre-K program is funded through the lottery, and several other states take the same approach.

We see several challenges with this type of approach. First, the funds these types of taxes could raise is not commensurate with the scale required to fund a universal child care program in New York; for example, the New York City Independent Budget Office projected that a sugary beverage tax in the city could raise \$288 million. Second, these funds come with the risk of declining over time, particularly if the tax is effective at curbing negative behaviors. For example, California began funding part of its early childhood infrastructure with a nicotine tax in 1998, but the total dollar value raised annually has declined in recent years as smoking rates have decreased in the state.

And third, sin taxes are regressive by nature, with the same tax burden applied to individuals regardless of their income.

The role of federal revenue

It is entirely possible that the federal government could augment its own funding for child care. Under President Joe Biden's Build Back Better proposal, it seemed possible—and even likely—that the federal government would invest more in child care and preschool education. However, those proposals have fallen short to date.

We are modeling a universal child care program for New York that would rely on State funding alone because New Yorkers cannot wait for the federal government to act. The imperative for care in New York is too great. And even if the federal government does raise its investment level, State revenue would likely still be needed. That said, policymakers can design the program and budget in New York in such a way that if federal funds become available, it would reduce the total State funding needed, and allow New York to reduce its funding over time. It is also entirely possible that the creation of a universal child care program in New York could induce federal action. Bold state action can spur federal policy.

Bold state action can spur federal policy.

Similarly, we do not make any assumptions in our modeling about local contributions to the statewide universal child care program. Some localities have the funds to bolster state and federal investments and may want to continue using local revenue to augment the broader investment. Some federal

funding streams come with local matching requirements. However, we are not modeling a local funding requirement because localities in New York have very different abilities to raise revenue, and setting a local funding requirement could lead to deep inequities in funding and implementation. That does not mean some communities won't choose to continue investing local dollars; we just do not assume it as a precondition.

Reinstating and strengthening the child tax credit is good, progressive policy, but it should be a complement to child care investments—not a substitute.

The connection to child tax credits

The Child Tax Credit is one of the single most effective anti-poverty tools in the U.S. Studies have shown that the 2021 tax credit expansion led to immediate and significant reductions in the number of children living in poverty. Proposals before Congress in 2024 would have impacted over 19 million children, including nearly 3 million children under age 3.

Many experts have pointed to child tax credits as a solution to the country's child care crisis: boosting families' resources would allow them to more comfortably afford the child care they need. However, while any policies that support working families and put more money into the hands of parents are a net positive, the child tax credit is not a replacement for public investments in child care. First, it continues to tie child care access to employment—families with lower income levels will still not be able to afford child care, even with a tax credit, and some families will see no benefits at all. Second, the tax credit does not address the fundamental imbalance in child care economics; it gives families slightly more money to spend, but does not take aim at the underlying mismatch between what families can afford to spend and what child care costs to provide. And third, the tax credit does nothing to spur capacity building, workforce investments, or otherwise address the infrastructure we need to expand care opportunities.

How We Achieve UPC — the Five- Year Roadmap

EVEN WITH SIGNIFICANT political and public support, universal public child care cannot be built overnight. The family demand exists, but it will take time to build out the infrastructure needed to administer the program, add the physical capacity needed to provide more care to children, and recruit the workforce required to serve in classrooms. Realistically, **a scale-up to full universal child care in New York would take approximately 5 years to fully implement.** That does not mean we should continue operating in the status quo—there are steps the State should take to expand access equitably while building the infrastructure to serve all New Yorkers.

Over the next five years, the State should move toward universal public child care by growing access without relying on means testing. At the same time, the State must invest in sustaining wages for child care workers and make critical infrastructure investments to ensure child care capacity and government processes are ready for a universal program.

The State could alternatively choose instead to focus on providing access to all children from birth to five at the same time, prioritizing higher-need geographies for roll-out first. There are multiple ways to take the first step forward, so long as the State is building toward a program that is fully universal, investing in the overall infrastructure required, and growing capacity meaningfully every year.

How We Get There—the Path to UPC

1

Year 1: Make 3-K and Pre-K truly universal in New York City and expand free preschool access across the state; in targeted areas, begin expanding access for younger children.

2

Year 2: Ensure every 3- and 4-year-old statewide has access to free preschool and grow access for younger kids, focusing on 2-year-olds.

3

Years 3–4:

Expand access for younger infants and toddlers (6 weeks to 2-year-olds) statewide.

4

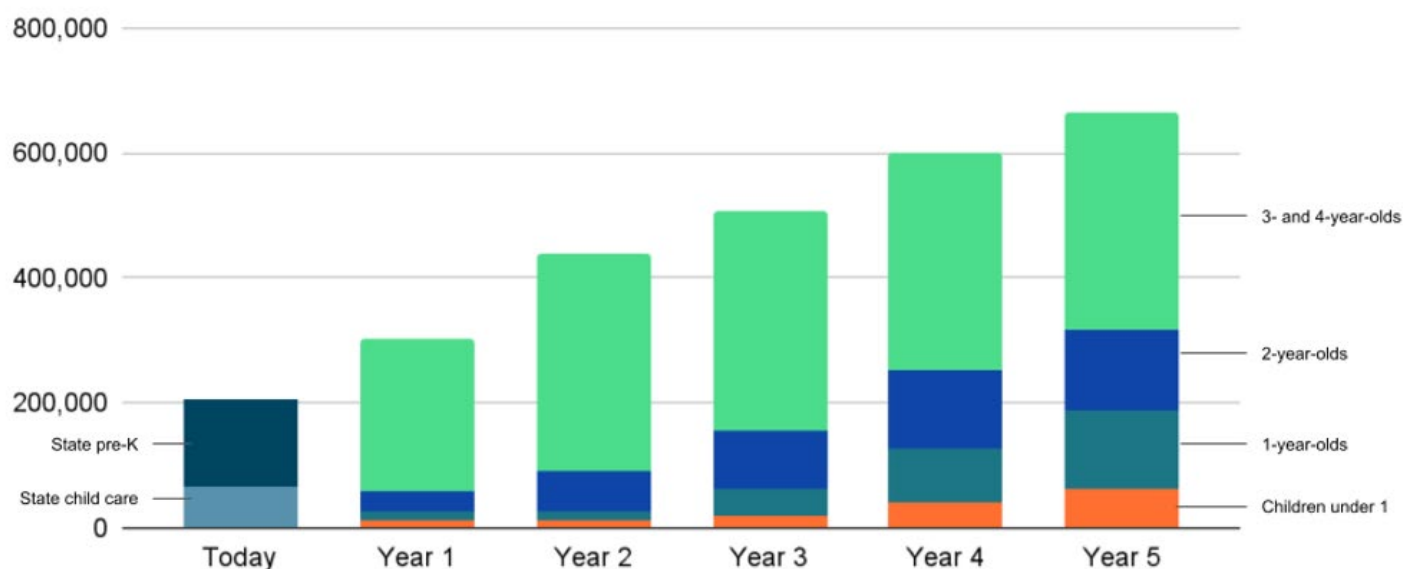
5

Year 5: Universal public child care available to all children from six-weeks through five-years-old statewide.

CHART 5

Growing access: From the current state to universal public child care

Illustrative data



Source: NYUC analysis

The building blocks to reach a universal statewide program include:

YEAR 1: Making 3-K and Pre-K truly universal in New York City. In New York City, policymakers need to fulfill the promise of fully universal 3-K and extend the offerings within 3-K and Pre-K to meet parent needs. This should include expanding the number of 3-K spots until every family that wants access can enroll in a seat that is convenient for them (meaning they can get there in 15 minutes or less); increasing the diversity of 3-K and Pre-K options, including by adding more home-based options into the program; addressing the significant unmet need for preschool special education seats; and expanding the availability of care that extends for the full-day and year, filling in the gap that working families face with programs that match the school calendar.

YEARS 1 AND 2: Giving every 3- and 4-year-old in the State access to free, high-quality care in New York State. Outside of New York City, less than half of four-year-olds (just under 45,000 children total) and a tiny number of 3-year-olds—fewer than 5,000 total—have access to the state’s pre-K program. (These figures do not account for the 3- and 4-year-olds being served through child care subsidies, so the total numbers of children being served in some kind of publicly-funded care today are a bit higher.) Given the significant gaps in preschool access in many communities today, it will likely be a multi-year effort to ensure every 3- and 4-year-old statewide can access free, high-quality care. The State can move quickly though; in New York City, with concentrated focus and investment, it took just two years to make pre-K universal for all 4-year-olds.

To grow access, the State should make targeted investments and work closely with localities to make sure that truly universal services are implemented. In doing so, there needs to be a focus on ensuring these services are delivered in a range of settings, not just public schools. All across the state, and especially in areas that are less densely populated, there needs to be a focus on bringing home-based providers into the state's preschool system and treating them equitably. The National Institute for Early Education Research (NIEER) estimates that New York would need to spend another \$1.2 billion to provide all currently unserved 4-year-olds with a high quality preschool education. By similar logic, the State would have to spend upward of \$2 billion to reach all 3-year-olds. (This figure is lower than the cost estimates earlier in this report to serve all 3- and 4-year-olds in the state because NIEER uses a different uptake rate in its definition of universal pre-K. Our cost estimates also assume some 3- and 4-year-olds choose child care outside of pre-K.)

YEARS 3-5: Continuing to expand who is eligible for free child care without using income tests. While some might propose expanding access by gradually increasing the income ceiling for eligibility, we disagree with this approach—it would negate the benefits of a universal program. This would perpetuate all the problems of our current system and would continue to limit family access. There are good reasons not to make care available to every family right at the outset; there likely will not be enough capacity and so there is no guarantee that the families who need care most would get it. Instead, there could be other approaches to scaling up access over time to families beyond those who already receive free or subsidized care.

We propose the State age down the system by expanding access first to all 2-year-olds once the preschool expansion is complete. This would require

working with child care providers to specifically expand capacity for toddlers. As the State grows access for infants and toddlers, policymakers could also consider The State could also prioritize geographies by guaranteeing free child care for all age groups first to residents of particular zip codes. This is how New York City initially expanded 3-K, starting with two of the poorest neighborhoods in the city and then adding additional neighborhoods each subsequent year on the path to guaranteeing universal access for all residents.

Though much of the expansion in access for infants and toddlers will take place in the later years of the UPC roll-out, there may be opportunities to expand access in some targeted areas even in the first years of the UPC roll-out. We assume at least some growth in access for 2-year-olds in years 1 and 2 in targeted areas.

Ongoing work throughout UPC roll-out: Addressing core infrastructure while growing access. It is critical that the State invest in the underlying infrastructure for the child care system in parallel with making more families eligible for care. The workforce cannot be an afterthought; the State must invest in compensation starting in Year 1 to ensure providers can recruit, retain, and sustain a quality workforce. Similarly, the State will need to make other critical infrastructure investments to ensure the system can serve a larger number of children.

- The state must invest in raising wages for child care workers. It will not be possible to maintain the capacity we do have, let alone expand capacity, without a robust workforce. Fair wages and benefits are critical to make this happen. Once the State fully implements universal child care, the per-child reimbursement rate that providers participating in the universal care program would receive would be sufficient to pay all

workers a sustaining wage. There would be a published salary scale with minimums that all providers need to meet.

In the interim, the State should implement a child care workforce fund that bolsters wages. Participating providers should receive public funds to augment wages if they agree to pay above a set floor. A fund like this has been proposed by advocates in New York and several states are in the midst of implementing their own versions of this, including [Washington, D.C.](#) and [Minnesota](#).

- The state must also consider other infrastructure investments, including additional facilities grants to providers—that come with technical assistance and streamlined licensing processes—and improvements to the other bureaucratic processes that undergird the child care system, like performing background checks for child care workers. The 5BORO Institute’s report on child care policy included a long list of potential policy steps the City and State could take to [make it easier for child care providers](#) to open and sustain their businesses. The State could also use a multi-year launch to a universal child care program as a time to make shifts in the governance structure for child care statewide, creating the support and accountability to ensure a successful implementation.

Infrastructure investments will also need to include a focus on supporting high-quality care. The State needs to scale up and strengthen its systems to monitor and support programs to boost their quality; otherwise, we risk perpetuating existing inequi-

ties. This should include investments in the state’s data systems, assessments to measure quality, on-the-job coaching for child care providers, and other research-backed approaches to support continuous improvement. The State should also take steps to bolster current and future early childhood educators through apprenticeships, partnerships with institutes of higher education, and investments in professional development.

"I'm not sure what else to do to get my child into 3-K. We're really considering leaving NYC and possibly even leaving NY State. My wife and I have lived here our entire lives and have most of our family here so leaving would be hard. I've also worked for the city for the past 16 plus years and dedicated a lot of time and energy to this city and one of the few times I finally need to use the city's services, and my child can't even get into school. It's just not fair to her."

—John, Queens

Conclusion

FOR NEW YORK TO REMAIN a place where families of all income levels can live, work, and thrive, we must invest in universal public child care. Voters have said they support universal public child care. We know how to do it. Parents are clamoring for it. It is time for our policymakers to be bold and to set a national example for what is possible when a state prioritizes the needs of its children and their families, and shifts costs from a heavy burden on the individual to a shared public investment that benefits us all. An investment in child care is an investment in our economy and the continued growth of New York State.

Private child care costs families billions

- New Yorkers collectively spend approximately \$14 billion on child care for kids under 5 every year
- Individually, the average New Yorker spends \$21,826 on center-based infant care and \$18,460 on care for 3- and 4-year-olds. Some families spend as much as double that.
- Statewide, the average New York family spends 18% of their income on child care for just one child; in New York City, the average families spends 25% of their income on child care for just one child.

Expensive and inaccessible child care is pushing families out – and hurting our economy

- Two-thirds of New Yorkers live in child care deserts, where the number of young children far exceeds the number of child care slots
- Families with children under six are 40 percent more likely to leave New York State and twice as likely to move out of New York City
- New York City alone lost \$23 billion in economic activity in 2022 because parents dropped out of the workforce or cut back working hours due to child care

Universal public child care is the solution that families need

- Free for all New York families
- All kids birth to five
- Full Day from 8 AM to 6 PM, with options for additional hours as well
- Nearby options that meet family need
- Easy to Apply

Universal public child care is an investment that will transform our economy

- In the near term, the program will pay for itself—in greater numbers than ever before, families will stay in New York, participate in the workforce, and contribute to the State's economy
- In the long term, we will see a \$10-13 return on investment for every dollar spent on early care and education
- Universal public child care will allow more families to raise their children here

Join us to make universal public child care a reality for all New Yorkers. It is the future our children, families and New York deserve.



Appendix

Child care options for children under five in New York City and State

There are several types of formal child care in New York State for children under five regulated by the state's Office of Children and Family Services (OCFS) and in New York City, the city's Department of Health and Mental Hygiene:

- Family Day Care Homes: small child care programs operated by providers within their home; they can provide care for up to six children at a time, depending on how many infants are present
- Group Family Day Care Homes: child care programs operated by providers within their home with additional staff support; they can provide care for 7 to 12 children at a time, depending on how many infants are present
- Day Care Centers: child care programs operated outside of a personal residence; the total number of children served depends on physical capacity and staffing levels

Statewide, **a majority of children in formal child care attend day care centers**, though there are many more home-based child care providers than center-based providers. Typically, centers can serve greater numbers of children given their size (See Charts 5 and 6).

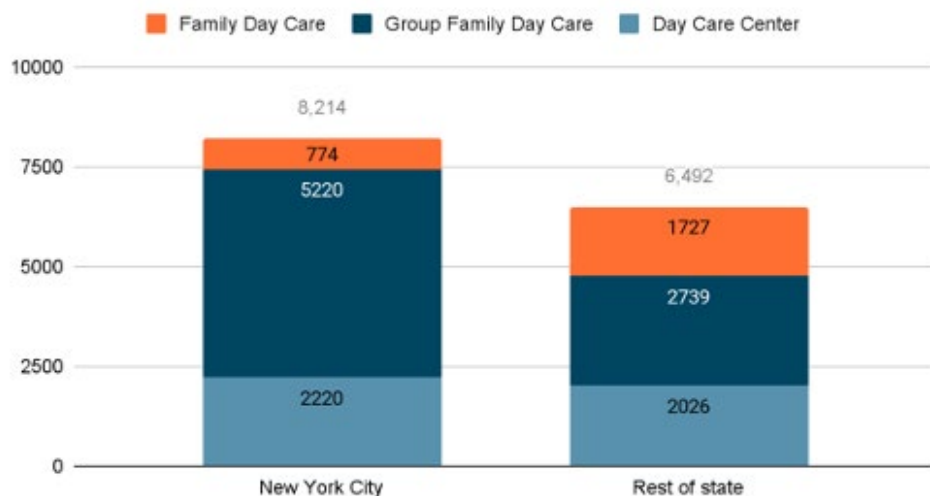
Each of the settings above can be licensed to serve children from six weeks through 12 years old. OCFS also regulates school-aged child care programs that serve children from kindergarten through age 12 during non-school hours. All of these care settings can be funded with public dollars (see page 73 for more detail), through parent fees, or a combination.

OCFS also recognizes informal care settings—sometimes known as ‘legally exempt’ care—which are home-based care programs with one or two children in addition to any relatives of the child care provider. The state collects limited data on informal care settings except for those who accept public subsidy dollars.

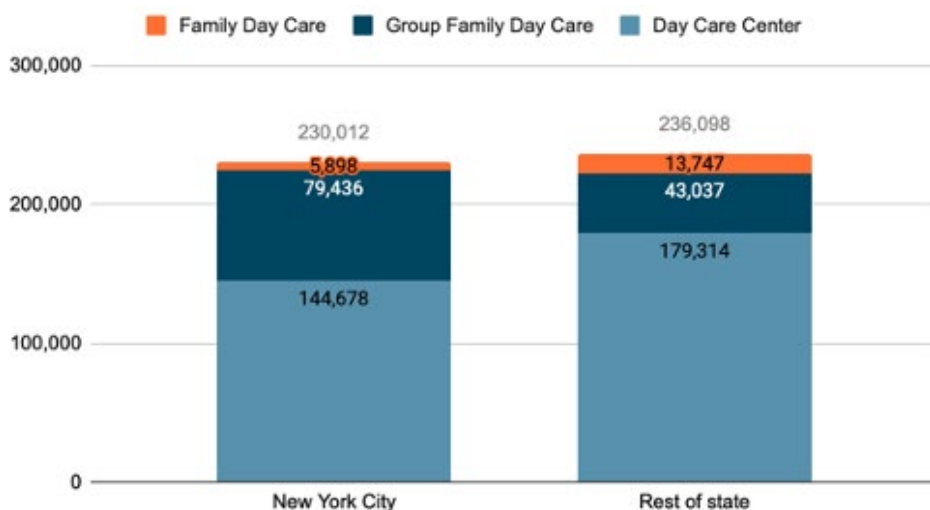
School-based programs, including pre-K offered in public, charter, private, and religious schools, are treated differently by the state; these programs largely fall under the auspices of the New York State Education Department (NYSED). However, the service known as ‘pre-K’ is not specific to schools. Funding for the state’s public prekindergarten programs is granted to local school districts; some offer some preschool services directly and others partner with community providers to offer preschool services, giving children the option to attend preschool inside a public school or at a child care site in the community. There is often a misconception that most preschoolers are enrolled in formal K-12 schools. However, of the over 150,000 prekindergarten slots in the state, just 37 percent are inside public schools (Chart 7).

CHART 5

Providers by type

**CHART 6**

Maximum child care capacity by provider type



Source: Child Care Provider Trends, 2015-2023, Office of Children and Family Services

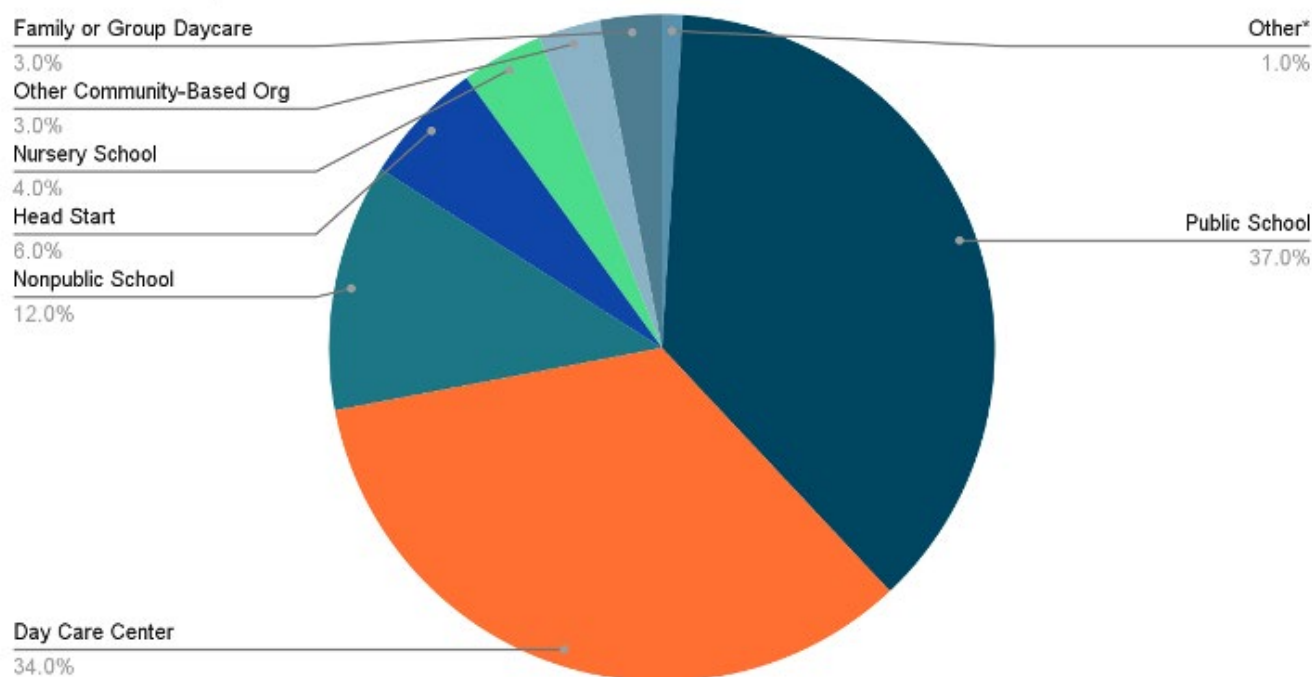
Many families engage in other forms of paid or unpaid child care that is unregulated, including nannies, babysitters, au pairs, and relative care, including stay-at-home parents. For some, this may be their primary form of child care; for others, it may be a supplement to formal child care to cover the number of hours they need. Care provided by a family, friend,

or neighbor is deeply valued by families, though often an afterthought in policymaking. There is extremely limited data collected in New York on how many families utilize these more informal options for child care.

CHART 7

Distribution of state-funded pre-K slots by setting type

Statewide data, 2022-23



Source: Pre-kindergarten data, [New York State Department of Education](#)

Public Funding for Child Care in New York State Today

THE PRIMARY SOURCES FOR CHILD CARE FUNDING IN NEW YORK ARE:

- **Child Care & Development Block Grant (CCDBG) funds** are federal dollars allocated to the state to provide child care subsidies to income-eligible families through CCAP. CCDBG funds can be used to provide care for children from 6 weeks until 12 years old. New York State has access to \$607M in CCDBG funds; to draw down its full allocation of federal funding, the state must make an annual “Maintenance of Effort” contribution and adds additional matching funds, for a total state contribution of about \$220M. Nearly 350,000 children in New York under 5 are eligible for these services.
- **Temporary Assistance to Needy Families (TANF)** is the federal funding stream that goes to states to support low-income families. Though the primary intent of TANF is to provide low-income working families with cash assistance, states have a fair amount of discretion in how they program the funds. States are explicitly permitted to transfer some amount of their TANF funding to be used alongside their child care funding to administer a subsidy program. Though the particulars vary from year to

year, New York is drawing down over \$460 million in TANF funds to support the child care subsidy program in FY 2025.

- [Head Start](#) is a federal program that allocates funds directly to community-based child care providers (and in some cases, to larger governmental entities) to provide early care and education services to low-income children and their families. Head Start serves 3- and 4-year-olds; Early Head Start serves children and families from prenatal to age 3. Over 120,000 children in New York should be eligible for Head Start, but just 29,000 are served; the gap is even wider for Early Head Start—over 120,000 children in New York should be eligible for Early Head Start, but just over 10,000 are served
- [IDEA Part B](#) are federal funds specifically to support preschool special education services. IDEA Part C, a complementary funding stream, supports Early Intervention support services for children under 3. Nearly 46,000 children in New York are served by IDEA Part B services.
- [State pre-K funds](#), which come primarily from New York State's general revenue. The state spends over \$1 billion on preschool services for primarily 4-year-olds with some smaller amounts directed toward 3-year-olds. Those funds are made available to public school districts as grants, which then offer some services directly and contract with private community-based providers to offer a portion of services. Districts are required to set aside 10 percent of their pre-K funding for use by community providers, though districts can seek a waiver to use all the funds directly.

- [Local pre-K funds](#) vary from locality to locality across the state. New York City spends a significant amount beyond the state's allocation, with a total of nearly \$2 billion on preschool services expended, inclusive of the state's funding and additional city investments; this is what allows the city to reach a wider swath of children than any other region in the state. Pre-K in New York City is jointly funded by city and state dollars, whereas 3-K is almost entirely funded by city dollars. The state's pre-K allocation per-child is insufficient to run a preschool program in many parts of the state; in more affluent suburban districts, for example, communities add funding to enable a more robust program. Communities with less tax revenue may not be able to do the same. This limits the reach of the state's pre-K program

For additional information on state child care spending:

- First Five Years Fund publishes an annual fact sheet that provides more detail on each of these funding streams and their relative size: [Child Care & Early Learning In New York](#)
- The Schuyler Center's "Last Look at the NYS 2024-25 Budget" provides an overview of the final FY25 state budget as relates to various priority areas, including child care: [Last Look at the NYS 2024-25 Budget](#)
- For a more detailed review of child care funding in New York City in particular, see the recent report from the New York City Comptroller's Office: [Spotlight: NYC's Publicly Supported Child Care Programs](#)

Detailed cost methodology

The information below outlines the inputs and assumptions used to derive the cost estimate of \$12.7 billion in incremental state spend to support a universal child care program for children from birth to five.

The number of children who would participate in a universal care program

Based on uptake rates of public preschool programs in other places in the U.S. with universal access (e.g., Washington, D.C.) and participation rates in public child care programs in OECD countries with nationwide access, we estimate that—at scale—as many as 80 percent of 3- and 4-year-olds would participate in a universal child care program. We believe that uptake would likely be slightly lower for infants and toddlers; even in places like Norway and South Korea where care is universal for all children under five, the youngest children are less likely to participate because of family preference and other factors. For children under 1, an expanded paid leave program would lead to even lower participation—very few children would participate in their first 6 months of life.

For our cost analysis, we therefore assume that 10 percent of children under 6 months, 50 percent of children 6-12 months, 60 percent of 1- and 2-year-olds, and 80 percent of 3- and 4-year-olds would participate. Based on recent New York State population estimates, that would mean just over 660,000 children would likely participate in the program (see Table 4). Compared to current participation rates, this would be significant; today, there are about 65,000 children under five using services funded by the state’s child care system and about 150,000 3- and 4-year-olds served by the state’s preschool program, about 140,000 of whom receive full-day services. That said, we would be thrilled to see even higher rates of participation if the number of families who wanted access to care was greater. In their analysis, Prenatal to 5 Fiscal Strategies assumed 80 percent uptake across all children birth to five, regardless of age, for a total of ~850,000 children. Because infant and toddler care is much more expensive on a per-child basis than care for preschoolers, including more children under three leads to a meaningfully higher cost. We use lower uptake rates in projecting total cost because we think they are more realistic, particularly in a policy environment with more comprehensive paid leave, but think the state could evaluate uptake over time and assess whether the introduc-

Table 4: Assumed uptake by age in a universal child care system

Age	Statewide count (2022)	Uptake assumption	Projected uptake
<1	212,616	10% of children under 6 months; 50% of children 6-12 months	63,785
1	201,588	60%	120,953
2	213,084	60%	127,850
3	216,767	80%	173,414
4	219,964	80%	175,971
Total	1,064,019		661,973

tion of a new program leads more families to step forward to take advantage of it. The program could also induce more families who were considering leaving New York to stay, or could attract new families to New York. Demand should never be thought of as a static figure.

Per-child cost of providing care

Historically, child care providers in New York that take public subsidies have been paid based on what the market supports—not what actually supports quality. In the most comprehensive assessment of the cost of care in New York, conducted by Prenatal to 5 Fiscal Strategies on behalf of Education Trust-New York and the Raising New York coalition, the team found significant gaps between current subsidy rates in New York and the actual cost for providers to offer safe, high-quality, developmentally-appropriate, care to children with sustaining wages for workers.

As Prenatal to 5 Fiscal Strategies found, the cost of care varies based on the age of the children, where in the state the program is located, the program type (home-based care versus center-based care), program size, compensation levels, and the quality standards that the program meets (see Table 5).

In using these cost estimates to calculate a statewide cost of care, we make a few key assumptions:

- We assume child care workers will be paid a sustainable wage, in keeping with the design principles outlined in this report. The wage figures used in this model come from the MIT Living Wage Calculator, which estimates the local wage rate that a full-time worker requires to cover the costs of their family's basic needs where they live. Under this model, the average assistant teacher in New York would make \$48,444 (versus the

\$33,060 they make today) and the average classroom teacher would make \$62,977 (instead of the \$43,880 they make today).

- We assume a hybrid between the costs required to meet licensing standards and quality standards, assuming the state will make at least some investments to support providers to meet higher standards; this is consistent with how Prenatal to 5 Fiscal Strategies approached their modeling
- We assume children will be served in a mix of child care settings, using today's distribution (69 percent centers, 5 percent FCC, 26 percent GFCC) as a proxy. This is a conservative estimate—for simplicity's sake, we are assuming the same distribution of settings for infants, toddlers, and preschoolers. In reality, infants are disproportionately likely to be served in FCCs or GFCCs. If that were the case, the resulting cost would actually be lower.

While the analysis that Prenatal to 5 Fiscal Strategies completed is fairly comprehensive, there are some costs that may not be fully accounted for. These costs may need to be considered in implementation:

- The compensation figures used in this analysis do not account for longevity bonuses. Public school teachers typically see their income rise with experience, whereas early education teachers often do not; this has been a significant source of tension in the sector. In future years, New York may want and need to consider how compensation for child care workers should rise with tenure

Table 5: Cost of care per child calculated by Prenatal to 5 Fiscal Strategies, with variation based on compensation levels and quality standards

	Statewide average: Per-child cost for providers to meet licensing standards with current child care sector wages	Statewide average: Per-child cost for providers to meet licensing standards and pay sustainable wages	Statewide average: Per-child cost for providers to meet the highest bar of quality with current child care sector wages	Statewide average: Per-child cost for providers to meet the highest bar of quality and pay sustainable wages
Center-based care				
Infants	\$22,691	\$30,172	\$24,351	\$32,371
Toddlers	\$17,789	\$23,416	\$19,449	\$25,616
3-year-olds	\$14,521	\$18,913	\$16,181	\$21,112
4-year-olds	\$13,588	\$17,626	\$15,247	\$19,825
Family child care, chil- dren birth-to-five	\$18,735	\$25,074	\$23,363	\$31,275
Group family child care, children birth- to-five	\$13,146	\$17,837	\$15,981	\$21,577

- The cost of care figures used in this analysis do not account for the differentiated cost to provide services to children with disabilities. This cost is typically much higher due to the specialized facilities, increased staffing, transportation, and additional services required. However, there are also some dedicated funding streams that can support these programs, including IDEA Parts B and C (and in some cases, Medicaid). Still, there may be additional investment required to fully meet the needs of children under five with disabilities, which New York City and State have both failed to do in recent years.

are governed and funded separately, and so it is just easier to just side-step the issue. In reality, large numbers of New York families rely on preschool as their primary form of child care and from a family's perspective, the division between preschool and child care is a false one. In estimating the costs of a universal child care system, we believe it is important to take into account the state's existing preschool spend and its capacity and to assume that preschool services as we know them today will be a major part of the future system.

Today, over 140,000 children are served by full-day pre-K services. (We intentionally excluded half-day pre-K from our model because it provides many fewer hours of care, though that accounts for another approximately 15,000 children.) Based on reporting from NIEER, New York spends an average of \$6,101 per child on pre-K, though the funding granted to districts across the state varies tremendously and is

How to consider public pre-K

Most cost modeling work that has been done for universal child care continues to separate child care and pre-K from each other—largely because the systems

Table 6: Calculating the share of preschool-aged children to be served

Age	Statewide count	Modeled uptake	Projected uptake	Number served by full-day preschool	Net total to be served
3	216,767	80%	173,414	31,878	141,536
4	219,964	80%	175,971	108,578	67,393

typically supplemented by a local match. We presume that pre-K funding would need to rise for programs to have the ability to offer a fuller day of care to match the needs of working families. As a simple starting point, we modeled a 50% increase in the state's share of pre-K funding for every child that participates today and deducted those children from the total number of 3- and 4-year-olds respectively who would need to be served by the child care system. It's an imperfect methodology, but at least takes steps to account for the existing preschool services as a part of the overall universal child care infrastructure.

Administrative spend

Prenatal to 5 Fiscal Strategies estimated an 8 percent administrative cost for the state to administer a universal child care model. We included the same percentage in our calculations, assuming that this 8 percent indirect spend would cover all day-to-day operations for program administration.

Additionally, we have built in some funding for investments to expand child care facilities, build the educator pipeline, and provide coaching support to child care providers to boost quality. These types of investments will be critical to ensure the infrastructure is in place to actually deliver sufficient high-quality care to families. This has been a feature in many child care proposals; in the 'NYC Under 3' plan that then-comptroller Scott Stringer put forward in 2019 to expand care for children under 3 in New York City, there was a proposed annual investment of \$25M in professional development and support for early childhood educators and \$100M in facilities costs. In the Early Learning Child Care Act ([S4883](#)), bill language suggests the state spend between 5 and 30 percent of annual funds on expansion grants for child care facilities. The bill also proposes that the state spend between 5 and 30 percent of annual funds on quality improvement supports. We estimate the state should budget a minimum of an additional 10 percent on top of the program cost to fund quality

Table 7: Total cost for at-scale universal child care program

Cost bucket	\$
Cost for services to children (assuming a total of 661,973 children statewide, served by quality child care providers paid sustaining wages, with about 140,000 of those children in existing state-funded preschool with augmented funding)	\$12.220 billion
Administrative cost (8% of program cost)	\$977 million
Quality and infrastructure investments (10% of program cost)	\$1.222 billion
Total cost	\$14.420 billion

improvements. This spend could potentially decrease over time once there is sufficient capacity statewide to serve all children under five and less funding is needed for facilities.

Cost estimate

Taking the three major cost drivers together, we estimate the total cost of a universal child care system would be about **\$14.4 billion at scale**.

We assume that any future universal child care initiative would subsume all the existing state investments in child care, and so therefore any funding currently put toward care for children under five would be reallocated. Today, the state spends a total of \$1.8 billion on child care assistance, utilizing a mix of state

and federal funds. About 60 percent of children utilizing child care assistance are under age five—the remainder are school-aged—though children under 5 cost more to serve on a per-child basis. We conservatively assume that 60 percent of current child care spending would be diverted to universal public child care and the remainder would support school-aged care. The state also spends over \$1 billion today on pre-K, which is already embedded in our universal child care cost calculations. And, about \$640 million in federal Head Start funding already goes toward child care providers in New York.

Based on these assumptions, we estimate the total incremental cost to the state to fund a universal child care program would be about \$12.7 billion annually.

Table 8: Estimating incremental cost for universal child care

Total cost	\$14.420 billion
60% of state spending on child care assistance	– \$1.08B
State pre-K spending—already accounted for in cost mode	–
Head Start funding	– \$640M
Net cost	\$12.70 billion