



Center for  
New York City  
Affairs

# New York City Needs Additional Funds to Maintain Child Care Assistance Program (CCAP) Vouchers in State Fiscal Year 2026 and Beyond

March 2025

Lauren Melodia

Director of Economic and Fiscal Policy  
Center for New York City Affairs at The New School

## Summary Findings

- Families receiving cash assistance (called Temporary Assistance “TA” in New York) will increase their utilization of Child Care Assistance Program (CCAP) vouchers dramatically in New York City over the next year due to the reinstatement of work requirements for TA recipients. The upper-bound estimate for TA monthly CCAP voucher need is 67,000 by the end of State FY2026 (March 31, 2026). This will result in the City’s Administration for Children’s Services (ACS) having to reduce CCAP voucher access to other eligible low-income families – those earning 85 percent of Area Median Income (AMI) or less – if the City does not have sufficient additional funding for the CCAP voucher program.
- In December 2024, the City distributed 65,310 CCAP vouchers to non-TA low-income families and 23,601 to TA families. If these low-income vouchers are maintained and an additional 37,717 TA CCAP vouchers are needed to bring TA voucher utilization up to our low-end estimate, the City will need additional funding for those 37,717 TA CCAP vouchers. Otherwise, the City will be required to cut vouchers currently being used by 37,717 non-TA low-income families, because the City is mandated to provide CCAP vouchers to TA families (and not mandated to serve families up to 85 percent AMI).
- The average CCAP voucher value over the next year is estimated to be double the value it was in 2019, when TA voucher enrollment levels were last aligned with TA work requirements. The current estimated average weekly CCAP voucher value is \$301, compared to \$154 in 2019. This is attributed to Office of Children and Family Services (OCFS) market rate increases across all program modalities, as well as the decline in enrolled legally exempt (LE) providers, where the majority of TA families utilized their CCAP vouchers prior to the pandemic.
- Approximately 79,827 CCAP vouchers can be funded on average per month by combining the City’s existing \$1.1 billion CCBG allocation for Federal FY2025 and the City’s Maintenance of Effort requirement to contribute an additional \$52,937,271. This was sufficient funding to cover the average total monthly CCAP vouchers used in calendar year 2024 (77,986). However, it is insufficient to continue funding CCAP voucher use (non-TA low-income and TA combined) at the level reached in December 2024 (88,911) or any increase in voucher utilization beyond December 2024 levels.
- We estimate that the City needs an additional \$823 to \$907 million through Federal FY2026 to meet expected CCAP voucher need by TA families as work requirements are reinstated and in order to maintain existing non-TA low-

income voucher levels. This cost estimate is slightly less than ACS's total additional funding request through Federal FY2026 of \$987 million.

- This is not a one-time budget issue. To maintain low-income voucher eligibility at 85 percent of AMI, the State and City will need to work together to develop non-federal revenue streams to support the CCAP program. However, we will have a more precise estimate of CCAP funding needed a year from now, after work requirements have been reinstated, that should inform that long-term planning. In the meantime, it is critical to fill funding gaps to maintain the program at its current eligibility requirements.

## Introduction

This issue brief provides an independent analysis of the reported shortfall in Child Care Block Grant (CCBG) funding that New York City's Administration of Children's Services (ACS) staff have identified and shared with State policymakers during the State FY2026 budget process. ACS has stated the following:

- ACS requests an additional \$987 million for CCAP vouchers in the State FY2026 final budget. This is above existing CCBG commitments for Federal FY2025 and Federal FY2026, bringing total allocations to the City's CCAP voucher program to \$2.006 billion in the State FY2026 budget. ACS's request is for an additional \$127 million for Federal FY2025 (above the \$1.1 billion already allocated to the City), and an additional \$860 million for Federal FY2026.
- In the absence of such additional funding, 4,000-7,000 children would lose child care assistance each month, as the City would have insufficient funds to recertify their care.

We provide an analysis of:

1. Projected NYC CCAP voucher enrollment,
2. Changes in the average value of the CCAP voucher,
3. Cost estimates for maintaining voucher eligibility and meeting TA need, and
4. Other considerations, such as Department of Education (DOE) unfilled seats and CCAP voucher funding sources

## I. Projected New York City CCAP Voucher Enrollment

ACS points out that approximately 20,000 CCAP vouchers are being utilized by families on TA – either Family Assistance (FA) or Safety Net Assistance (SNA). The City is mandated to provide CCAP vouchers to TA families, because adults in these families have work requirements in order to maintain their TA benefits. ACS expects the need from this mandated population to grow to 60,000 due to enforcement of work requirements (lifted during the pandemic) that will be implemented in the second quarter of calendar year 2025.<sup>1</sup> This will result in other low-income eligible families currently in receipt of CCAP vouchers to lose their vouchers without additional CCBG funding allotted to the City. It is unclear from ACS’s own presentations on this topic what underlying assumptions they used to arrive at the number 60,000 and over what timeline they expect that growth to take place. Staff in the City’s Human Resources Administration have said that work requirement enforcement will begin in “early summer” and there will be a 12-month period during which the agency will bring TA families into full compliance.

We use two approaches to estimate the projected enrollment of TA families in the near future, which are referred to below as the high-end and low-end estimates. Both of these approaches involve an assumption of a 96 percent utilization rate of CCAP vouchers by TA families, based on the data we have available. (We nevertheless believe this utilization rate is unrealistically high.) We also have not factored in the likelihood that TA families may lose TA benefits (and therefore mandated CCAP voucher access) for failure to comply with work requirements. These estimates would benefit from further insight from the State’s Division of the Budget, which has [an econometric model](#) for projecting public assistance utilization. Our estimates would also benefit from more insight from HRA and ACS staff about pre-pandemic CCAP voucher utilization rates when work requirements were in effect.

---

<sup>1</sup> Work requirements for cash assistance recipients are the result of the 1996 federal welfare reforms. While there is debate about their appropriateness and effectiveness, they have been demonstrated to be effective at making people ineligible for cash assistance for which they are in need. As a result, it is unclear if the reinstatement of work requirements in the City will lead to a reduction in TA family caseloads. However, it should be a goal to maintain benefits access for people in need. Our estimates assume that there is no decline in TA family caseloads as a result of work requirements being reinstated.

### *High-end Estimate*

Our high-end estimate utilizes the State’s Office of Temporary and Disability Assistance (OTDA) monthly reports of total children included in TA cases. In New York City, enrollment in TA programs has skyrocketed since 2021. Given the current state of the economy, we assume that the average monthly growth rate since 2021 will remain the monthly growth rate moving forward. This is an 0.68 percent monthly increase in children who are TA recipients. We also use the HRA quarterly reports that provide the percentage of children that are TA recipients by age range in our projections. Approximately 29 percent of children who are TA recipients are under the age of five. We apply that distribution, which has been relatively stable over the past decade, to our projections. We use OCFS data to determine the voucher utilization rate.

Combining the above data sources, we estimate that approximately 96 percent of children under the age of 5 whose families are TA recipients utilized vouchers prior to the pandemic. Currently, only 37 percent of children under the age of 5 whose families are TA recipients are utilizing vouchers. We assume a steady 0.68 percent growth rate of TA-recipient children and a monthly 5.4 percent growth rate to reach 96 percent utilization rate one year after work requirements are reinstated in April 2025. Using these assumptions, the City will reach 66,508 TA CCAP vouchers by March 2026. This is a significant increase from the 23,601 TA CCAP vouchers used in December 2024. The City will need funding for 44,805 TA CCAP vouchers per month in State FY2026.

### *Low-end Estimate*

The State Division of the Budget (DOB) uses an [econometric model](#) to project public assistance utilization for the FY2026 Executive Budget [Financial Plan](#). While we do not have access to DOB’s estimates for New York City, the Financial Plan includes statewide estimates that suggest a slower growth rate in TA family cases in FY2026 and a decline in TA family cases from FY2027 to FY2029.

In the Financial Plan it is noted that, “Safety Net Assistance spending growth is driven by an increase in the public assistance caseload, particularly in the City of New York.” However, the strongest enrollment growth is projected to be amongst single people, not families. In FY2026, FA and SNA family cases are projected to grow annually 1.25 percent and 1.14 percent, respectively. This would amount to 0.1 percent average increase per month in TA family cases. HRA’s [monthly factsheets](#) report that FA families on average include 1.42 children, SNA families on average include 0.19 children, and “60 Month Converted to SNA families” on average include 1.95 children.

Taking the higher-end figures – of a 1.25 percent annual growth rate in FA family cases and an average of 1.95 children per case – our low-end estimate projects the total children who are TA recipients growing at 0.2 percent per month. We apply the same 5.4 percent monthly growth rate to bring the current 37 percent TA CCAP voucher utilization rate to a 96 percent utilization rate in March 2026. Using this approach, we estimate that New York City will reach 61,318 mandated TA CCAP vouchers by March 2026. On average, the City will need funding to provide an additional 42,199 TA CCAP vouchers per month in State FY2026.

### Results

Table 1 provides a summary of total CCAP voucher utilization in recent years. Despite a slow return to pre-pandemic enrollment, the City’s average monthly CCAP voucher utilization is back to numbers seen in 2017 and 2018. Additionally, the utilization of those vouchers has flipped from TA families to other low-income families.

In December 2024, the City distributed 65,310 vouchers to non-TA low-income families and 23,601 to TA families. If these non-TA low-income vouchers are maintained and an additional 37,717 vouchers are needed to bring TA CCAP voucher utilization up to our low-end estimate (61,318 after the TA population reaches 96 percent utilization), the City will need additional funding for those 37,717 vouchers. Otherwise, the City will be required to cut vouchers for approximately 37,717 other low-income, eligible families.

**Table 1: NYC's average monthly use of child care vouchers**

Calendar Year	Total CCAP Vouchers	Low-income CCAP Vouchers	Temporary Assistance (TA) CCAP Vouchers	TA Share of Total Monthly CCAP Vouchers
2017	79,472	28,017	51,455	65%
2018	76,691	31,647	45,044	59%
2019	67,515	27,712	39,803	59%
2020	53,551	23,298	30,252	56%
2021	38,813	17,763	21,050	54%
2022	40,562	21,186	19,376	48%
2023	55,506	35,757	19,749	36%
2024	77,986	55,834	22,152	28%

Source: CNCA analysis of OCFS and HRA enrollment data

Table 2 provides actual and projected voucher utilization for TA (mandated) and low-income families using both our high- and low-end estimates.

**Table 2: Projected monthly TA voucher need in NYC**

Month	Low-end Projection	High-end Projection	TA Voucher Utilization Rate
Dec24	23,601	23,601	37%
Jan25	22,981	23,392	37%
Feb25	23,027	23,551	37%
Mar25	23,073	23,711	37%
Apr25	23,119	23,872	37%
May25	26,547	27,450	42%
Jun25	29,987	31,156	48%
Jul25	33,442	34,911	53%
Aug25	36,910	38,717	59%
Sep25	40,392	42,572	64%
Oct25	43,887	46,478	69%
Nov25	47,397	50,435	75%
Dec25	50,920	54,444	80%
Jan26	54,457	58,505	86%
Feb26	58,009	62,618	91%
Mar26	61,318	66,508	96%

Source: CNYCA analysis of OCFS and HRA enrollment data

## **2. Changes in the Average Value of the CCAP Voucher**

ACS projected CCBG funding needs must rely on an assumption of the value of the voucher that TA families will utilize. CCAP voucher values differ based on the child’s age and the child care program modality. ACS anticipates a budget shortfall not just because of increased TA family CCAP voucher utilization in the near future, but also due to increased CCAP voucher values implemented in 2024 as a result of OCFS’s market rate survey that will be in effect through State FY2026.

Our estimates apply an average CCAP voucher value to the projected enrollment based on three data elements: voucher use by program modality (Table 3), the 2024 OCFS “market rates,” (Table 4), and voucher use by age group.

*Voucher Use Shifts Away from Legally Exempt Providers: Tied to Pause in TA Work Requirements and Resulting in Higher Average Voucher Value*

Prior to the pause in work requirements for TA families, TA CCAP voucher recipients across the state utilized a large portion of CCAP vouchers with Legally Exempt (LE) child care providers, who receive the lowest value for a CCAP voucher than any other child care modality. The pause in TA work requirements and the exclusion of LE providers from pandemic stabilization programs led to a collapse in the number of LE providers in operation in New York City. This trend is unique to the City, compared to the rest of the state (Table 3).

In 2018, there were 10,758 LE providers in the city caring for one or more children with a CCAP voucher. In 2024, there were 2,821 LE providers in the city caring for one or more children with a CCAP voucher. It is unclear at this time if the work requirement enforcement will facilitate a growth in LE providers who are enrolled and ready to care for children. Therefore, the average CCAP voucher value will likely be greater than it was in 2019 – both in general and for TA families in particular once work requirements are enforced.

**Table 3: CCAP voucher use by child care program modality**

Percent of all child care programs

	New York City		Rest of State	
	Pre-pandemic Average (2018-19)	Post-pandemic Average (2023-24)	Pre-pandemic Average (2018-19)	Post-pandemic Average (2023-24)
DCC/SACC	7.6%	13.1%	14.8%	19.6%
GFDC/FDC	34.7%	58.4%	26.2%	30.0%
Legally Exempt (LE)	57.7%	28.4%	59.0%	50.4%

Source: CNYCA analysis of OCFS Facts and Figures Fact Sheets

*Impact of OCFS Market Rate Changes & Program Modality*

The OCFS Market Rate for NYC CCAP vouchers has grown, comparing 2019 and 2024 (Table 4). This, combined with a shift in TA voucher utilization away from LE providers

(Table 3), has led to a doubling of the estimated CCAP voucher value by age group as well as in general.

Data from the U.S. Department of Health and Human Services shows relatively stable distribution of CCAP vouchers across age groups. We estimate TA CCAP voucher use by age group, by taking an average of CCAP voucher use from the most recently available post-pandemic years (Federal FY2021 and FY2022) with pre-pandemic years (Federal FY2018 and FY2019). On average, TA vouchers utilization by age group in the state is as follows: four percent of vouchers are used for children under 18 months old, 22 percent of vouchers are used for children 18-months to two years-old, 35 percent of vouchers are used for 3-to 5-year-olds, and 40 percent of vouchers are used for school age children (6-to-12-year-olds). We combine these data elements to produce an average TA voucher rate using the 2024 OCFS market rate of \$301, almost twice the value of the average TA voucher rate using the 2019 OCFS market rate of \$154.

**Table 4: Estimated NYC CCAP voucher value**

	2019	2024	Percent change increase
Infant (under 18 months)	\$175	\$373	113%
Toddler (1.5-2 years old)	\$165	\$328	99%
Pre-K (3-5 years old)	\$155	\$308	98%
School-age (6-12 years old)	\$141	\$265	88%
Average TA voucher	\$154	\$301	95%

Source: CNYCA analysis of OCFS Facts and Figures Fact Sheets; OCFS market rates, 2019 and 2024.

### **3. Cost Estimates for Maintaining Voucher Eligibility and Meeting TA Need**

#### *Estimated Cost of Additional TA Voucher Use*

We apply our average CCAP voucher value (Table 4) to our low- and high-end projected TA monthly voucher use (Table 2). Table 5 provides a total monthly cost for TA CCAP vouchers as well as the difference between current TA CCAP voucher spending and projected TA CCAP voucher spending. Table 6 provides a summary of these costs across the Federal and State Fiscal Years and compares them to ACS's cost estimates.

**Table 5: Estimated NYC TA monthly voucher spending**

Month	Low-end Projection	High-end Projection	Low-end Projection	High-end Projection
	Total cost	Total cost	Additional cost	Additional cost
24-Dec	\$28,415,604	\$28,415,604	\$0	\$0
25-Jan	\$27,669,347	\$28,163,697	-\$746,257	-\$251,907
25-Feb	\$27,724,686	\$28,355,210	-\$690,918	-\$60,394
25-Mar	\$27,780,135	\$28,548,026	-\$635,469	\$132,422
25-Apr	\$27,835,696	\$28,742,153	-\$579,908	\$326,549
25-May	\$31,961,999	\$33,049,305	\$3,546,395	\$4,633,701
25-Jun	\$36,104,696	\$37,511,772	\$7,689,092	\$9,096,168
25-Jul	\$40,263,836	\$42,033,400	\$11,848,232	\$13,617,796
25-Aug	\$44,439,469	\$46,614,788	\$16,023,865	\$18,199,184
25-Sep	\$48,631,642	\$51,256,539	\$20,216,038	\$22,840,935
25-Oct	\$52,840,407	\$55,959,262	\$24,424,803	\$27,543,658
25-Nov	\$57,065,812	\$60,723,572	\$28,650,208	\$32,307,968
25-Dec	\$61,307,908	\$65,550,090	\$32,892,304	\$37,134,486
26-Jan	\$65,566,744	\$70,439,440	\$37,151,140	\$42,023,836
26-Feb	\$69,842,369	\$75,392,254	\$41,426,765	\$46,976,650
26-Mar	\$73,827,222	\$80,075,522	\$45,411,618	\$51,659,918
26-Apr	\$73,974,876	\$80,620,035	\$45,559,272	\$52,204,431
26-May	\$74,122,826	\$81,168,251	\$45,707,222	\$52,752,647
26-Jun	\$74,271,072	\$81,720,196	\$45,855,468	\$53,304,592
26-Jul	\$74,419,614	\$82,275,893	\$46,004,010	\$53,860,289
26-Aug	\$74,568,453	\$82,835,369	\$46,152,849	\$54,419,765
26-Sep	\$74,717,590	\$83,398,649	\$46,301,986	\$54,983,045

Note: Additional cost is the estimated cost of additional TA voucher use above December 2024 levels

**Total New York City CCBG Voucher Expenses**

Approximately 79,827 vouchers can be funded on average per month combining the City’s existing \$1.1 billion CCBG allocation for Federal FY2025 and the City’s Maintenance of Effort requirement to contribute an additional \$52,937,271. This is sufficient funding to cover the average total monthly vouchers in calendar year 2024 (77,986). However, it is insufficient to continue funding CCAP voucher use (low-income

and TA combined) to the level reached in December 2024 (88,911) or any increase in voucher utilization beyond December 2024 levels.

Table 6 provides estimates of total TA CCAP voucher and additional TA CCAP voucher costs grouped by Federal and State Fiscal Years for the purposes of comparing to ACS’s estimates and to advise the State’s FY2026 budget process. Table 6 also provides an estimate of additional costs to maintain total voucher use at December 2024 levels. We provide this additional cost estimate, because it would allow the City to maintain current CCAP voucher levels. This may result in the City having a temporary waitlist for other low-income families as they onboard TA families, but it would also prevent the City from having to prematurely cut an existing voucher to a low-income family that has already been approved and distributed.

We estimate that the City needs an additional \$823 to \$907 million through Federal FY2026 to meet expected CCAP voucher need by TA families as work requirements are reinstated and in order to maintain existing low-income voucher levels. This cost estimate is close to the magnitude of, but slightly less than, ACS’s total additional funding request through Federal FY2026 of \$987 million.

### Table 6: Estimated NYC voucher spending by Fiscal Year

in \$Million

	Total TA Voucher Cost		Add'l TA Voucher Cost		Add'l Cost to Maintain	ACS Add'l
	Low-end Projection	High-end Projection	Low-end Projection	High-end Projection	Dec 2024 Voucher Level	Funding Request
For Federal FY2025 (4/1/2025 - 9/30/2025)	\$229	\$239	\$59	\$69	\$66	<b>\$127</b>
For Federal FY2026 (10/1/2025 - 3/31/2026)	\$380	\$408	\$210	\$238	\$106	<b>\$430</b>
For Federal FY2026 (4/1/2026 - 9/30/2026)	\$446	\$492	\$276	\$322	\$106	<b>\$430</b>
<b>Total Request through Federal FY2026</b>	<b>\$1,055</b>	<b>\$1,139</b>	<b>\$545</b>	<b>\$629</b>	<b>\$278</b>	<b>\$987</b>

## 4. Other Considerations

### *Unfilled Seats in DOE-Contracted Programs for Children Ages 0 to 5*

New York City’s Department of Education (DOE) offers several early care and education (ECE) programs for children ages 0 to 5, including EarlyLearn, 3-K, and Pre-K. While the City has expanded funding towards these programs over the past decade, there are thousands of unfilled DOE-contracted seats in those programs for which the City is already paying. The City regularly budgets \$125 million in CCBG funding towards the Extended Year/Day seats in these DOE programs because they provide full-day care similar to what a full-time CCAP voucher can provide. Given the tremendous growth in TA voucher need, the City could offset projected voucher spending by improving uptake rates for these seats by TA recipients in particular. Furthermore, there are significant unfilled School Year/Day seats that may fit the needs of TA recipients or other low-income CCAP recipients with part-time work requirements. Table 7 includes a summary of the unfilled Extended Day/Year seats in the DOE-contracted system in recent years.

**Table 7: Unfilled seats in DOE-contracted early care and education**

Program Type	FY23 Actual	FY24 Actual	FY25 4-month Actual
EarlyLearn Extended Day/Year	2,146	434	5,399
3-K Extended Day/Year	3,050	2,897	3,211
Pre-K Extended Day/Year	3,131	2,763	2,955
<b>Total</b>	<b>8,327</b>	<b>6,094</b>	<b>11,565</b>

Note: "FY" refers to the City Fiscal Year (July 1 - June 30)

Source: Mayor’s Management Report, 2024 and 2025

### *CCBG and TANF Federal Funding*

Current and near future funding from the federal government’s Child Care Development Block Grant (CCDBG) program for the entire State exceeds both existing annual allocations to NYC as well as ACS’s request for additional funds. In Federal FY2024, New York State was allocated \$608 million in CCBG funding. This is higher than pre-pandemic allocations (\$425 million in Federal FY2018 and FY2019), but much lower than \$2.8 billion received in Federal FY2021, which the State and its districts were able to also roll over to the next year if funds were unspent.

Federal CCDBG funding to states is determined through a formula based on a variety of need-based factors, not demand for services. Furthermore, a component of the federal CCDBG funding formula is related to TANF funding (and TANF funding is also eligible to be rolled into a State's CCBG funding at each State's discretion on an annual basis). NYS receives a fixed TANF block grant of \$2.4 billion each year. This amount is based on historical spending under the AFDC program not current need. Simply put, NYS should not expect to receive more TANF or CCDBG funding due to increased demand for the programs funded by these block grants today or in the near future. In 2022, NYS had \$777 million of accumulated rollover funds from TANF, which is also not sufficient to fill the City's CCAP voucher funding gap.

Increased need for TA and the mandated CCAP vouchers that are connected to TA work requirements and demand for CCAP vouchers as a result of increased eligibility requires funding from State and City revenue sources.

### *NYC's Maintenance of Effort*

The City has been expected to contribute a flat \$52,937,271 towards the CCAP voucher program each year. In 2018, when the State and Federal share of CCAP voucher allocation to the City was \$495 million, the City's Maintenance of Effort comprised 9.7 percent of voucher spending; in 2025, when the State and Federal share of CCAP voucher allocation to the City is currently budgeted at \$1.1 billion, the City's Maintenance of Effort comprised only 4.6 percent of voucher spending.

This is complicated by the fact that the City has invested a significant amount of its own revenue into the contracted services offered through the DOE, where the City allocates only \$125 million of its CCBG allocated dollars to cover contracted care for eligible families using EarlyLearn and extended year/day 3-K and Pre-K services.

### *About the author*

Lauren Melodia is the Director of Economic and Fiscal Policies at the Center for New York City Affairs at The New School.

### *Acknowledgments*

The author would like to acknowledge Dede Hill from the Schuyler Center for Analysis and Advocacy and Pete Nabozny from the Children's Agenda for reviewing this brief. The author thanks Prisca Agombe and David Hayes for research support; Bruce Cory for editorial assistance; and Kristin Morse for general support. We gratefully acknowledge funding support provided by the Robin Hood Foundation. The author accepts sole responsibility for the substance and views presented in this report.