Introducing a Universal Child Care Cost Model for New York

Executive Summary

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The Center for New York City Affairs' (CNYCA) Universal Child Care Cost Model is a dynamic tool to evaluate the total costs and phases of implementation toward a fully universal system for children ages six weeks to five years old. It can be modified to guide policy design as New York City and State move forward on their historic investment in child care.

This report – which introduces the model, the assumptions behind it, and our key findings – is the first phase of CNYCA's plan to release a public online version for policymakers and advocates to use directly. In the meantime, CNYCA can generate estimates for different scenarios by request. The model can be used in the short-term to evaluate costs for various implementation plan proposals identified by policymakers, such as the City's 2-K initiative.

To provide context for this model, this report offers a definition of high-quality and stable universal childcare. We also outline the assumptions and data sources included as inputs into our model.

CNYCA's model is explicit about assumptions and data sources, including regulations on program modality, capacity, and staffing ratios; wages by occupation and benefits; non-personnel costs; population by age; and uptake rates. Crucially, these assumptions incorporate two core pillars of high-quality, stable care: a true cost of care methodology and a sector-wide career ladder. We intentionally shifted away from the current, flawed State "market rate methodology," which is embedded in some City contract rates. Our previous research found this methodology contributes to low wages, staffing shortages, and program closures.

We have used these assumptions and data sources to generate the total number of center and home-based programs and staff for New York City and the Rest of State, as well as the costs per child by age, per program modality, and per region.

This report highlights model results that feel most useful in the current moment, when the City is exploring how to improve contract rates and the City and State are developing longer-term plans for a fully universal system. Key findings include:

Size and cost of a fully universal system: Significant resources are needed to implement fully universal child care that is high-quality and stable. An estimated $17.6 to $19.6 billion would be needed to fund universal child care statewide serving the number of children estimated using the model's current uptake rates. See Figure 1, below, which provides these ranges related to two uptake rate scenarios.

An estimated $8.7 to $9.3 billion would be needed annually to fund universal child care in New York City. In FY2025 the City budgeted $2.5 billion and spent $3.8 billion on child care service delivery. This is emblematic of the regular under-estimation of service delivery costs. Therefore, the City will need to identify at least an additional $4.9 to $5.5 billion to sustain a fully universal system.

In the city and state, there is already significant child care capacity and staff working in licensed center and home-based programs, both in Group Family Child Care (GFCC) and Family Child Care (FCC). Using the higher of the two uptake rates, a fully universal system will only require an additional 10,475 seats in an additional 1,182 programs. Given that we are at the early stages of full implementation, there is no need to build new facilities at this time. Instead, the City must invest in creating financially sustainable pathways for existing programs to be a part of its public procurement system.

There are currently 50,328 center and home-based program staff in the city and an additional 23,640 workers will need to be recruited to staff a fully universal system. Developing strategies to retain the existing workforce are just as important as creating pipelines to recruit new staff.

Figure 1:

Size and cost of a fully universal child care system

Estimated using two uptake rate scenarios by region*

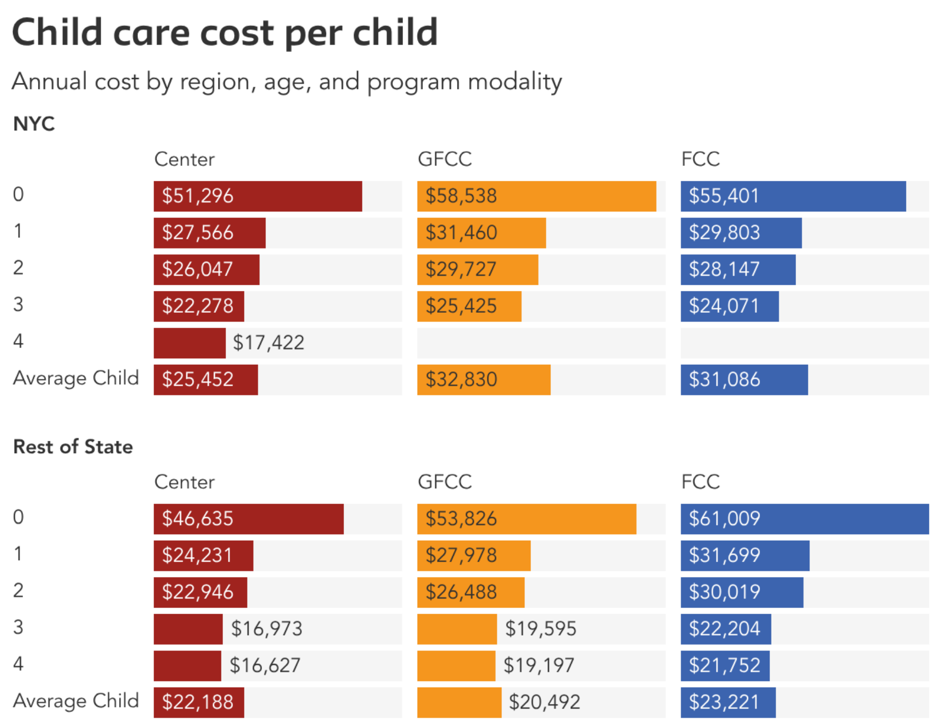
	NYC		Rest of State		State	
Measure	Lower uptake	Higher uptake	Lower uptake	Higher uptake	Lower uptake	Higher uptake
Number of staff	67,448	73,968	105,548	123,025	172,996	196,993
Number of programs	9,403	10,314	16,721	18,579	26,124	28,893
Number of children served	267,368	289,240	344,594	372,737	611,962	661,977
Total cost	**$8.7 B**	**$9.3 B**	**$9 B**	**$10.3 B**	**$17.6 B**	**$19.6 B**
Average cost per seat	*$27,720*	*$27,857*	*$25,998*	*$27,581*	*$26,686*	*$27,692*

*Higher uptake utilizes the assumptions from CNYCA's Universal Child Care Cost Model; Lower uptake modifies the assumptions for uptake by 3- and 4-year-olds to match current 3-K, Pre-K, and CCAP enrollment and waitlists.
All NYC estimates for number of staff, programs, and average cost per seat exclude 38,061 3- and 4-year-olds who receive 3-K or Pre-K services at a NYCPS public school. These results, then, estimate how many center and home-based programs and staff are needed for a fully universal system assuming that 38,0661 children continue to obtain 3-K or Pre-K services at a NYCPS public school. Due to insufficiently granular budget data, CNYCA is unable to estimate the cost per seat at a NYCPS public school. In order to estimate a total cost for the system, our model adds 38,061 children currently enrolled in NYCPS public schools into center programs to generate the total cost.
B = billions

Source: CNYCA Universal Child Care Cost Model (July 2026)

Cost per age and program modality: Infant care is most expensive, given the required high staffing ratios. (See Figure 2.) Home-based providers (GFCC and FCC) are estimated to be more expensive than centers due to lower staffing ratios in centers.

Figure 2:



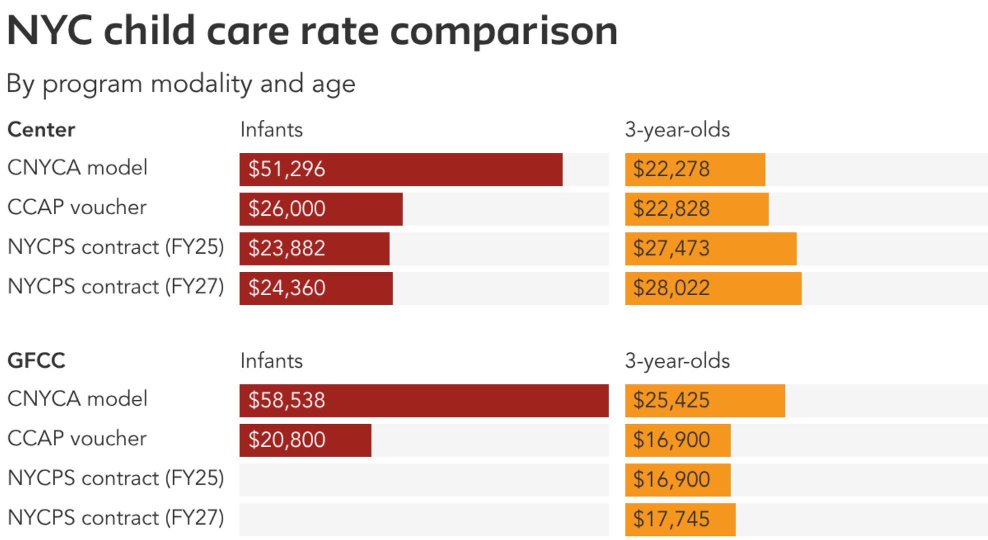
Costs for 4-year-olds in GFCC and FCC programs are omitted for NYC because most 4-year-olds are served by the City's Pre-K services, which these programs are currently excluded from.

Source: CNYCA Universal Child Care Cost Model (July 2026)

Contract and voucher rate disparities: There are two major disparities between the model's results and current contract or voucher rates. (See Figure 3.) Across all program modalities, the biggest disparity is in infant care. For other ages, the biggest disparities exist for GFCC and FCC programs. This is largely due to the fact that the Child Care Assistance Program (CCAP) voucher rates are determined using a methodology that does not account for staff wages and operating costs. This is then exacerbated by New York City Public Schools (NYCPS), which uses those CCAP rates in its contracts with GFCC and FCC programs.

The City uses a more standard contracting process, not the CCAP rates, for center contracts. While the City's FY2027 adopted budget includes much-needed increases on NYCPS contracts (two percent for centers and five percent for home-based programs), they are not sufficient. For example, comparing the model's results and the estimated FY2027 adopted budget NYCPS rates, GFCC programs will be paid $7,680 less per three-year-old than CNYCA's model recommends; centers will be paid $5,744 more per three-year-old than CNYCA's model recommends.

Figure 3:



"Infant" age cutoffs differ by program modality and contract (i.e. the center CCAP infant rate is for children up to 18 months, whereas the GFCC CCAP rate is up to 2 years old).
CCAP voucher has been annualized.
NYCPS contract rates are for extended day, extended year. For centers, the NYCPS contract rate is from the Mayor's Management Report for the "average spending per child." This may be an underestimate if it includes GFCC rates.
NYCPS contract (FY27) includes 2% increase for centers and 5% increase for GFCC programs included in the City's FY2027 Adopted Budget.
Source: CNYCA Universal Child Care Cost Model (July 2026); CNYCA analysis of NYS OFCS (2024) and NYC Mayor's Office of Operations (2026)

Recommendations

Because they're legally required to operate with balanced budgets, State and City governments are challenged when launching new public services where actual budget requirements and uptake rates are unknown. But for too long, social services like child care have been under-budgeted. This has forced workers to take a pay cut in order for policymakers to achieve their policy goals. New York State and City are at a critical juncture where they can chart a better path by properly budgeting for the true cost of care.

This report outlines five policy proposals for City and State policymakers to prioritize that were not addressed by the Governor's and Mayor's FY2027 path to universal child care priorities:

1) The State and City need to invest more to implement fully universal child care.
2) The State and City should amend current public contract and voucher rates to cover the operating cost and salary needs for child care programs today.
3) The State and City need to implement a sector-wide salary scale.
4) The State and City should create a wage subsidy to guarantee better wages during the transition to free universal care, while the system still relies on a mix of public and private revenue.
5) The City should consolidate all child care system administration under one agency.

Moving forward with this model, CNYCA will produce cost estimates for various phase-in proposals for universal child care. CNYCA also aims to extend the model to more fully integrate Pre-K and 3-K seats located in NYCPS, to understand the capacity needed for and associated with after-school care; to include other family policies like Paid Family Leave and cash assistance; to incorporate more accurate uptake rate estimates; and to add additional operating costs, such as retirement benefits, commercial real estate by borough, and capital costs.