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FOR IMMEDIATE RELEASE
February 20, 2024

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IBO Releases Analysis of Historical Changes in Early Childhood Budgets, Finds Current Early Childhood Program Budgets Have Changed From Initial Plans

February 20, 2024 – Early childhood programs remain a pivotal policy issue among elected officials and the public in New York City, especially as Fiscal Year 2025 budget negotiations unfold. To support informed decision-making, the New York City Independent Budget Office (IBO) is excited to release a comprehensive analysis of the changes in early childhood budgets.

But what exactly does this entail? IBO will provide a look back at the many early childhood programs in the city and explore the financials and major changes, focusing on more recent changes to 3-K (the City's program for three-year-olds), pre-K, and subsidized childcare programs.

IBO's comprehensive analysis can be found [here](#).

Main takeaways from the report:

- Over the last ten years, plans to expand the New York City early childhood system included as much as \$700 million of additional funding in a single year for the DOE's pre-K and 3-K programs, before subsequent financial plans reduced that expansion by \$300 million in some years.
- Funding sources for pre-K and 3-K have shifted over time. By 2023, one third of funding for pre-K and 3-K drew from time-limited Covid federal aid.
- The City's financial plan, published in November of 2023, included a PEG of \$120 million which reduced the subsidized care budget by \$38 million and reduced the pre-K and 3-K budget by \$82 million.
- The most recent financial plan, published in January of 2024, included an additional PEG of \$50 million which reduced the subsidized care budget by \$16 million and reduced the pre-K and 3-K budget by \$34 million.
- City sources provide more than half of the funding for the DOE's subsidized childcare programs.

The New York City Independent Budget Office (IBO) is authorized under the New York City Charter to provide nonpartisan budgetary, economic, and policy analysis for the residents of New York City and their elected officials. IBO helps to increase New Yorkers' understanding of and participation in the budget process.