



New York City Council

Hon. Adrienne Adams, Speaker of the Council

Hon. Justin Brannan, Chair Finance Committee

Hon. Althea Stevens, Chair, Children and Youth Committee

Report on the Fiscal 2026 Executive Plan and the Fiscal 2026 Executive Capital Commitment Plan for Committee on Finance and the Committee on Children and Youth

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Fiscal 2026 Executive Plan

Administration for Children's Services Budget Overview

The Administration for Children's Services (ACS or the agency) protects and promotes the safety and well-being of the City's children and families by providing child welfare, juvenile justice, child care, voucher-based early education services, protective and preventive services, and coaching and mentorship for at-risk youth. In child welfare, ACS contracts with non-profit organizations to support and stabilize families at risk of a crisis through prevention services and with foster care agencies for children not able to remain safely at home. The agency's Division of Child Protection conducts investigations of suspected child abuse or neglect. In juvenile justice, ACS manages and funds services including detention and Close to Home placement, intensive community-based alternatives for youth, and support services for families.

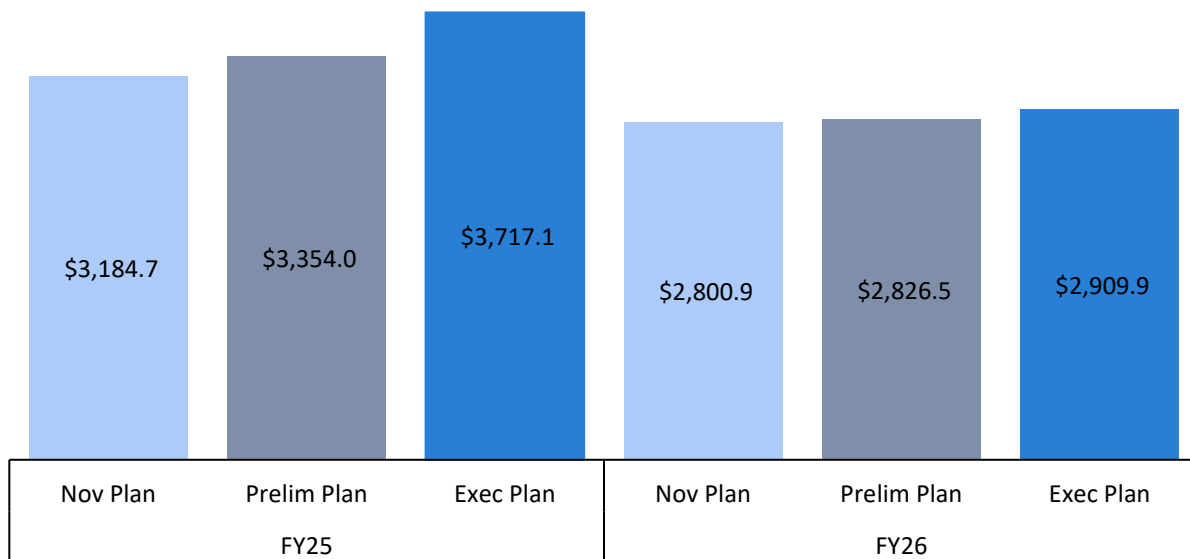
ACS has seen significant budgetary and programmatic changes since the release of the Fiscal 2026 Preliminary Plan. The Executive Financial Plan for Fiscal 2025-2029 (Executive Plan) includes an additional \$393.4 million in funding across Fiscals 2025 and 2026 to support child care programs, as well as \$25.0 million to continue Promise NYC at its current level in Fiscal 2026. The Council has supported and advocated for the continuation of Promise NYC since its inception in Fiscal 2023 and called on the Administration to provide baseline support in the Fiscal 2026 Preliminary Budget Response.

In March 2025, ACS reported that the agency was projecting a shortfall of approximately \$1.0 billion in State and federal funding (the funding is allocated to the City by the State), to support its child care voucher program through the upcoming federal fiscal year, which ends on September 30, 2026. Due to the uncertainty of State-allocated funding, on May 5, 2025, ACS announced it was closing enrollment of new families seeking child care vouchers and that it would place any families deemed eligible on a waitlist until further notice. The agency is

continuing to process renewals at this time. In the enacted State Fiscal 2026 Budget, the State increased the City’s required annual contribution to a minimum of \$328.0 million and appropriated up to \$350.0 million in matching funds to the City. Since the State enacted its budget after the release of the City’s Executive Plan, no funding to address the gap was included from the City. No amendments to ACS’s wait list policy have been announced since the State budget was finalized and it remains unclear when they will resume enrollments.

The Executive Plan includes a proposed Fiscal 2026 budget of \$2.91 billion for ACS. The agency’s projected Fiscal 2026 budget represents 2.5 percent of the City’s proposed Fiscal 2026 budget in the Executive Plan. ACS’s Fiscal 2025 budget in the Executive Plan is \$363.2 million (10.8 percent) more than its \$3.35 billion Fiscal 2025 budget in the Preliminary Plan, and the Fiscal 2026 budget in the Executive Plan is \$83.4 million (3.0 percent) more than its \$2.83 billion Fiscal 2026 budget in the Preliminary Plan. The current Fiscal 2026 budget is \$122.6 million more than the \$2.79 billion Fiscal 2025 budget at adoption. For additional information on ACS’s Preliminary Budget, please refer to the Fiscal 2026 Preliminary Budget report.¹

Comparison of the Last Three Financial Plans



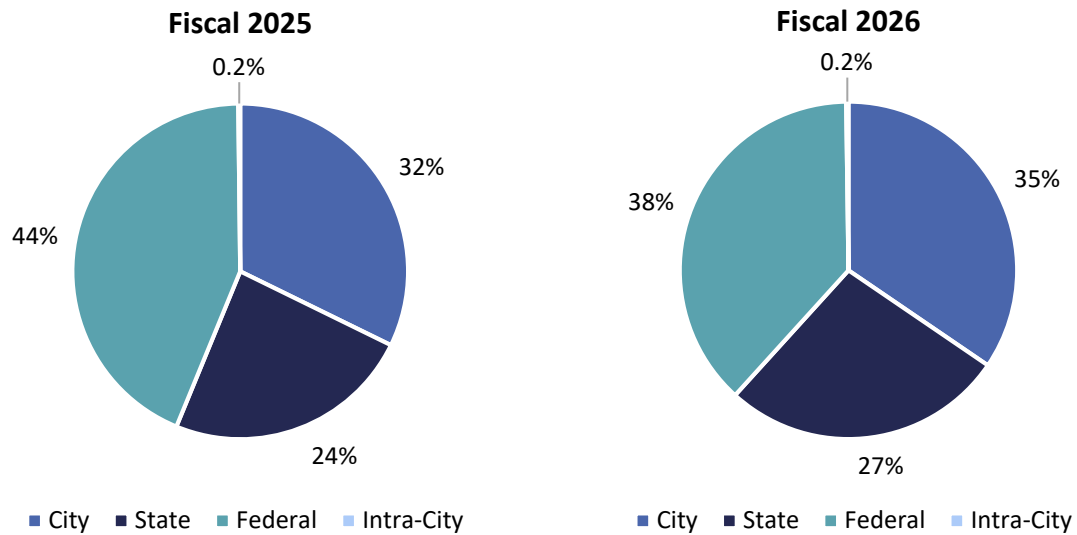
Dollars in Millions

Source: New York City Office of Management and Budget

¹ New York City Council, [“Report on the Fiscal 2025 Preliminary Plan and the Fiscal 2024 Preliminary Mayor’s Management Report for the Administration for Children’s Services”](#), as of March 2025.

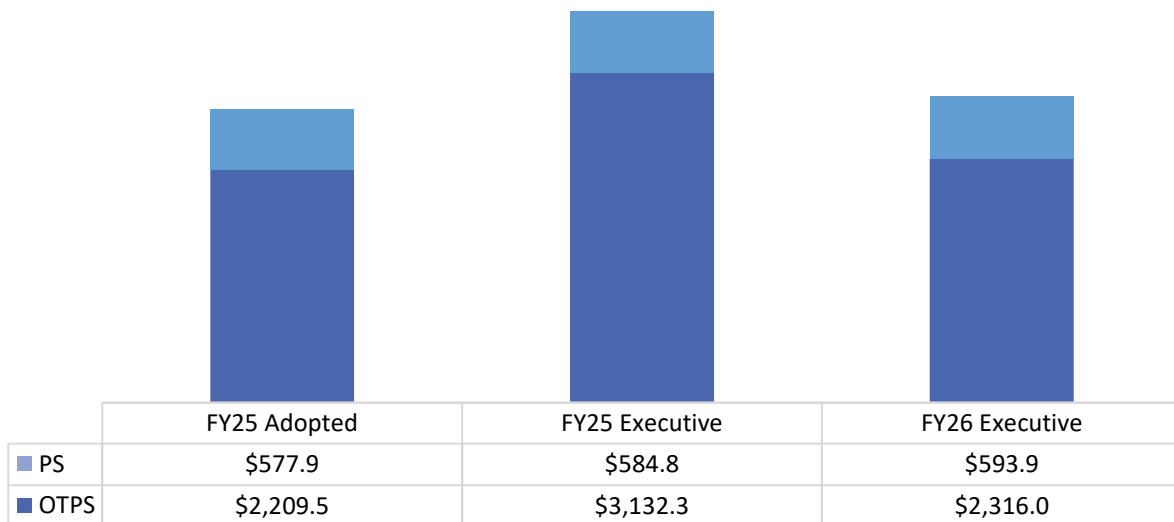
Budget by Funding Source

Fiscal 2026 City Funds: **34.5 percent**



Source: New York City Office of Management and Budget

Personal Services (PS) and Other Than Personal Services (OTPS)



Dollars in Millions

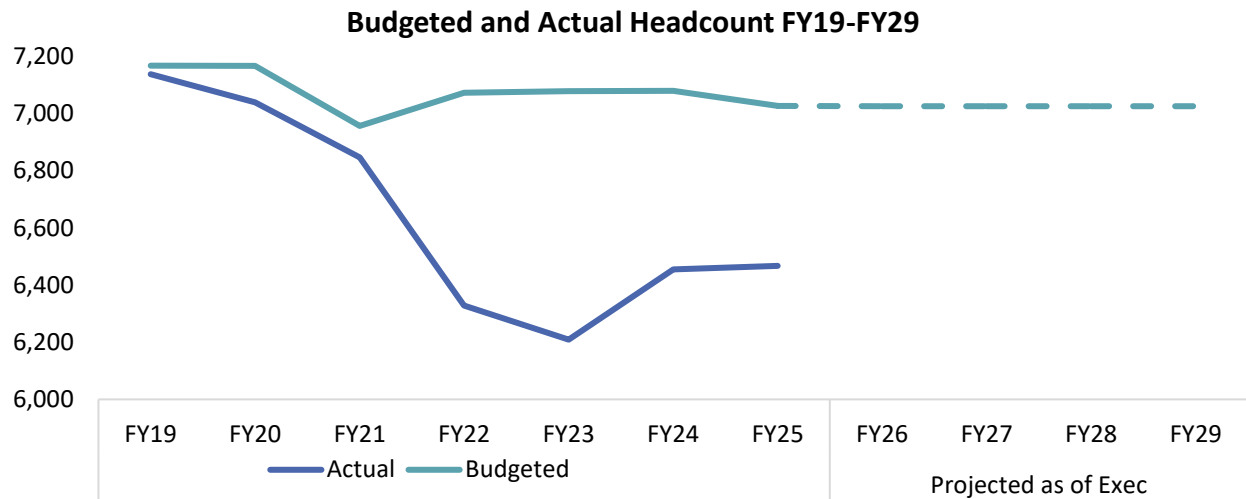
Source: New York City Office of Management and Budget

Headcount

Fiscal 2025 Budgeted Full-Time Positions: **7,027**

Actual Headcount as of March 2025: **6,467**

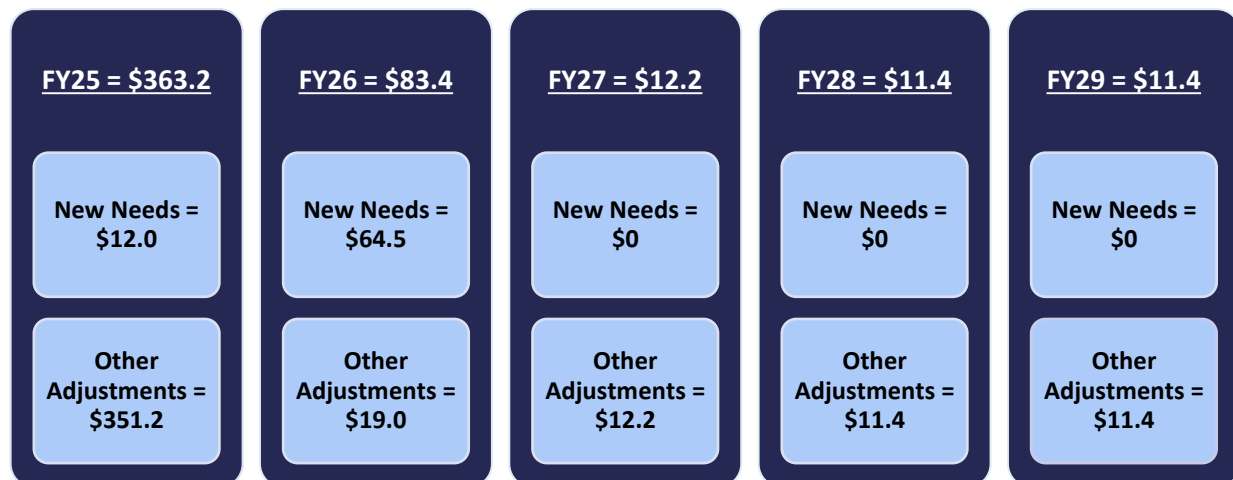
Vacancy Rate as of March 2025: **8.0 percent**



Source: New York City Office of Management and Budget

Note: Budgeted and actual headcounts are as of the end of the fiscal year, except for FY26 where budgeted headcount is as of the Executive Plan and actual headcount is as of March 2025.

Executive Plan Changes



Dollars in Millions

Savings in this chart are the sum of all expense savings, from all revenue sources, including but not limited to, City, State, and federal savings.

Significant Executive Plan Changes New Needs

- **Child Care Market Rate Increase.** The Executive Plan includes additional City funding of \$5.0 million in Fiscal 2025 and \$39.5 million in Fiscal 2026 for the City's required 25 percent matching contribution for the cost of vouchers for clients on public assistance.
- **Foster Care.** The Executive Plan includes a swap of \$102.8 million in federal funding for City funding in Fiscal 2025 only for foster care expenditures. The federal Title IV-E foster care grant includes income requirements that have not been adjusted for decades to keep pace with increases in the cost of living. As a result, the pool of clients who are eligible for this funding shrinks each year. This action adjusts the revenue structure to align with the federal funding ACS expects to receive for Fiscal 2025.
- **Promise NYC.** The Executive Plan includes \$25.0 million in City funding in Fiscal 2026 only to continue approximately 1,000 slots in the Promise NYC programs. Promise NYC is a City-funded program which provides undocumented families with child care vouchers, as they are not eligible for other subsidized voucher programs. Since its inception in Fiscal 2023, funding for Promise NYC has been added on a year-to-year basis and has not been baselined. The Council called for funding for Promise NYC to be baselined in the Fiscal 2026 Preliminary Budget Response.
- **Overtime Settlement.** The Executive Plan includes an additional \$7.0 million in City funds for Fiscal 2025 only for ACS staff overtime costs pursuant to the settlement of a lawsuit.

Other Adjustments

- **Child Care Voucher Costs.** The Executive Plan includes an additional \$348.9 million in Fiscal 2025 only for child care vouchers, comprised of \$56.8 million in State funding and \$292.1 million in federal funding. This funding was previously committed by the State and not included in ACS's budget, it does not address ACS's projected deficit of approximately \$1.0 billion for child care funding in Fiscal 2026.
- **Lease Adjustments.** The Executive Plan includes a \$5.9 million reduction in City funding for lease costs in Fiscal 2025, due to a delay in the reallocation of ACS's headquarters. The Plan includes additional City, State, and Federal funding of \$11.4 million in Fiscal 2026 and \$5.5 million in Fiscal 2027 and in the outyears for projected increases on lease costs.
- **Workforce Enhancement Initiative.** The Executive Plan includes a baseline addition of \$5.0 million in State and federal funding, starting in Fiscal 2025, to support the workforce enhancement initiative for contracted human service providers.
- **CUNY Workforce Institute.** The Executive Plan includes an additional \$2.5 million in State and federal funding in Fiscal 2025 only for training and support programs provided by CUNY's Workforce Institute to ACS staff and contracted providers.
- **Children's Center.** The Executive Plan includes additional State and federal funding, with \$1.5 million in Fiscal 2026 and \$811,144 in Fiscal 2027 for non-capitally eligible façade repairs at the Children's Center. The Plan also includes a baselined addition of \$531,028

in State and federal funding, starting in Fiscal 2025, for transportation services for youth at the Children’s Center.

- **Asylum Seeker Response.** The Executive Plan includes a net reduction of \$789,998 in Fiscal 2025 and an increase of \$159,740 in Fiscal 2026 for ACS’s asylum seeker response efforts. This is comprised of several adjustments:
 - **Overtime.** An additional \$210,002 in Fiscal 2025 was included to support expenditures on ACS staff who have volunteered to do overtime hours to assist with the City’s response efforts.
 - **Legal Services.** A \$1.0 million reduction in State funding in Fiscal 2025 for legal services based on the actual utilization of these contracts managed by ACS.
 - **Resettlement Program.** An additional \$159,740 in City funding in Fiscal 2026 only to increase support for a contract with Jewish Family Services (JFS) that administers an upstate resettlement program for asylum seekers.

Savings

- **Asylum Seeker Response.** The Executive Plan includes the swapping of City funding for State funding for asylum response costs: \$4.8 million in Fiscal 2025 and \$1.1 million in Fiscal 2026. Additional State revenue was identified and allocated to ACS to cover the cost of the JFS resettlement services contract.

Budget Response

*Fiscal 2026 Expense Proposal Estimate: **\$218.1 million***

*Expense Proposals Included in the Fiscal 2026 Executive Budget: **\$30.0 million***

In the City Council’s Fiscal 2026 Preliminary Budget Response, the Council identified several areas of concern relating to ACS. The budget response called on the Administration to add \$218.1 million in expense funding for foster care, Promise NYC, child care vouchers, and human service contract rates. The Executive Plan includes the following, as shown in the table.

FY26 Budget Response Items			
#	Response Priorities	Amount Requested	Amount in the Exec Budget
1	Foster Care	\$134.1	\$0
2	Early Childhood Education Comprehensive Reform	84.0	25.0
3	Child Care Vouchers Underbudgeting	Call to Action	0
4	Human Service Non-Profit Contract Rates	Call to Action	5

Dollars in Millions

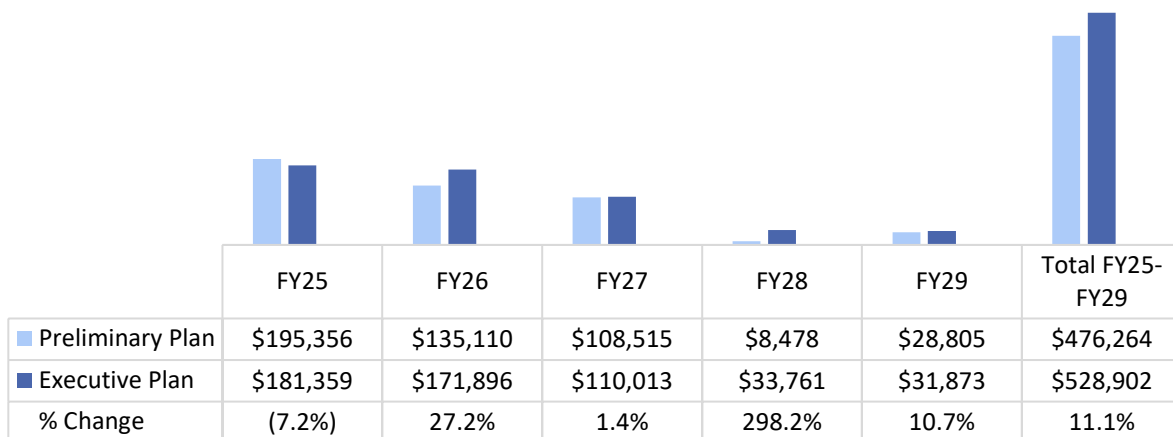
** Capital proposal, not included in the total above.*

Capital Plan Overview

- ACS's commitments, as presented in the Executive Capital Commitment Plan for Fiscal 2025-2029 (the Executive Commitment Plan), total \$528.9 million, 11.1 percent more than the total for the same period presented in the Preliminary Capital Commitment Plan released in January.
- The agency's planned commitments comprise half a percent of the City's total \$110.98 billion Fiscal 2025-2029 Capital Plan.

Capital Commitment Plan

Fiscal 2025-2029 Capital Commitment Plan



Dollars in Thousands

Source: New York City Office of Management and Budget

- **Horizon Juvenile Center.** The Executive Commitment Plan includes \$84.6 million in Fiscal 2026 for new construction at Horizon Juvenile Center, which is an increase of \$6.5 million since the Preliminary Capital Plan. The Plan includes \$240.8 million across Fiscals 2025 to 2029 for this project, which is unchanged since the Preliminary Capital Plan. This project will increase the number of beds and expand the program and recreational areas for youth. Additionally, projects to replace the heating, ventilation, cooling system, and boiler

total \$3.7 million across the years of the Executive Commitment Plan, which is approximately \$464,000 less than was included in the Preliminary Commitment Plan. The Horizon projects combined constitute the largest project in ACS's Executive Commitment Plan, comprising 46.2 percent of the agency's Plan.

- **ACS Headquarters.** ACS will be relocating from its leased headquarters located at 150 William Street, to a new location at 110 William Street. This move will be made in stages and is expected to start during the spring of 2025 and be completed by the end of 2026. The Executive Commitment Plan includes a total of \$43 million in funding from Fiscal 2025-2029 for renovations at the new headquarters.

Budget Action Chart

<i>Dollars in Thousands</i>	FY25			FY26		
	City	Non-City	Total	City	Non-City	Total
ACS Budget as of the FY26 Preliminary Plan	\$1,094,203	\$2,259,752	\$3,353,955	\$931,891	\$1,894,605	\$2,826,496
Changes Introduced in the FY26 Executive Plan						
New Needs						
Childcare	\$5,000	\$0	\$5,000	\$39,450	\$0	\$39,450
Foster Care	102,800	(102,800)	0	0	0	0
Overtime Settlement	7,000	0	7,000	0	0	0
Promise NYC	0	0	0	25,000	0	25,000
Subtotal, New Needs	\$114,800	(\$102,800)	\$12,000	\$64,450	\$0	\$64,450
Other Adjustments						
Asylum Seeker Response Adjustments	\$210	(\$1,000)	(\$790)	\$160	\$0	\$160
Children's Center Façade Repair	0	0	0	0	1,484	1,484
Children's Center Transportation	0	531	531	0	148	148
Collective Bargaining	26	29	55	26	29	55
Childcare Vouchers	0	348,920	348,920	0	0	0
CUNY Workforce Institute Training	0	2,540	2,540	0	0	0
Heat, Light, and Power	332	0	332	333	0	333
Lease Adjustment	(5,900)	0	(5,900)	8,786	2,653	11,439
Other Adjustments	(24)	3	21	(97)	304	207
Parent Advocate Services	0	505	505	0	0	0
Workforce Enhancement	0	4,987	4,987	0	4,987	4,987
Young Men's Initiative	0	0	0	155	0	155
Subtotal, Other Adjustments	(\$5,356)	\$356,540	\$351,184	\$9,363	\$9,605	\$18,968
Savings						
Asylum Seeker Response Contract	(\$4,807)	\$4,807	\$0	(\$1,112)	\$1,112	\$0
Subtotal, Savings	(\$4,807)	\$4,807	\$0	(\$1,112)	(\$1,112)	\$0
TOTAL, All Changes in the FY26 Executive Plan	\$104,637	\$258,547	\$363,184	\$72,701	\$10,717	\$83,418
ACS Budget as of the Executive Plan	\$1,198,840	\$2,437,299	\$3,717,139	\$1,004,591	\$1,905,322	\$2,909,913

Source: New York City Office of Management and Budget

Budget by Program Area

<i>Dollars in Thousands</i>	FY23	FY24	FY25	Executive Plan		*Difference
	Actual	Actual	Adopted	FY25	FY26	FY26 - FY25
Budget by Program Area						
Adoption Services	\$255,820	\$258,305	\$227,162	\$244,281	\$227,260	\$98
Alternatives To Detention	4,799	8,671	4,360	13,612	7,727	3,367
Child Care Services	730,698	1,003,102	496,897	1,233,976	601,375	104,478
Child Welfare Support	76,245	83,654	53,342	53,342	53,431	89
DOE Residential Care	75,642	75,148	86,593	84,540	86,336	(257)
Foster Care Services	668,804	730,294	610,677	762,472	622,433	11,756
Foster Care Support	50,874	51,406	51,783	51,783	51,783	0
General Administration	211,072	229,049	289,870	273,785	268,768	(21,101)
Head Start	6	0	0	0	0	0
Juvenile Justice Support	15,868	18,548	16,030	18,658	19,685	3,655
Non-Secure Detention	14,571	16,205	19,007	17,263	17,327	(1,680)
Placements	111,878	103,417	114,512	113,238	111,853	(2,659)
Preventive Homemaking Services	19,898	19,899	24,755	31,462	31,462	6,707
Preventive Services	323,870	330,303	331,660	344,884	338,346	6,685
Protective Services	357,620	348,701	400,024	414,532	411,291	11,267
Secure Detention	70,639	78,348	60,659	59,312	60,837	178
TOTAL	\$2,988,304	\$3,355,052	\$2,787,331	\$3,717,139	\$2,909,914	\$122,582
Funding						
City	\$1,056,733	\$990,296	\$897,164	\$1,198,840	\$1,004,592	\$107,428
Other Categorical	0	20	0	0	0	0
State	881,807	1,082,301	780,862	890,571	791,720	10,858
Federal	1,045,854	1,277,641	1,109,163	1,620,754	1,107,292	(1,871)
Intra-City	3,910	4,795	143	6,974	6,310	6,167
TOTAL	\$2,988,304	\$3,355,053	\$2,787,331	\$3,717,139	\$2,909,914	\$122,582
Budgeted Headcount						
Full-Time Positions - Civilian	6,209	6,455	7,028	7,027	7,026	(2)
Full-Time Equivalent Positions	13	28	34	30	30	(4)
TOTAL	6,222	6,483	7,062	7,057	7,056	(6)

*The difference between the Fiscal 2026 Executive Budget and the Fiscal 2025 Adopted Budget.

Source: New York City Office of Management and Budget