



ALL OUR KIN

SUPPORTING FAMILY CHILD CARE EDUCATORS' ACCESS TO FUNDING OPPORTUNITIES IN THE LATEST COVID-19 RELIEF PACKAGE JANUARY 11, 2021

Thanks to persistent advocacy, the President signed a \$900 billion economic relief package into law on December 27, 2020. Although the total package is much smaller than expected, it is designed to serve as short-term emergency relief to support Americans through the next few months. Lawmakers anticipate passing a much larger relief package in early Spring.

Despite its size, the new package contains a number of important funding opportunities for family child care educators. Several require educators to take action right away and promise to distribute funds by late March. Please review the opportunities described below.

Disclaimer: *The information shared in this document is accurate as of Monday, January 11th, and is subject to change as more information continues to be released about the implementation of the federal relief package. All Our Kin created this document for general information purposes only. This document should not be considered advice regarding the financial decisions of family child care providers.*

Paycheck Protection Program (PPP)

- **About:** The PPP provides forgivable loans to small businesses. The latest round of funding makes two types of loans available:
 - First Loans (for businesses that did not previously receive a PPP loan), and
 - Second Draw Loans for qualified small businesses that received PPP loans in 2020. Second Draw Loans are for businesses with fewer than 300 employees that also had a 25% reduction in gross receipts in the 1st, 2nd, 3rd or 4th quarter of 2020 relative to the same period in 2019. Businesses are limited to one Second Draw Loan.

The current program features a simplified application process with a wider range of permitted uses than the earlier PPP loans. Some of those who were not eligible to receive funds in 2020 may be eligible under the new program. For all loans under



\$150,000, including those received in 2020, borrowers can receive forgiveness by submitting a one-page certification.

- **Application Period:** Mid-January through March 31, 2021 (unless extended by Congress).
- **Next Steps for Providers:** Regulations should be available during the week of January 11 (delays are possible). In the meantime, providers should collect all relevant documents and contact their lender or PPP intermediary. Providers who received a PPP loan in 2020 but have not requested loan forgiveness should complete this step in late January when the one-page certification form is available.

Pandemic Unemployment Assistance (PUA)

- **About:** Support for self-employed workers and independent contractors has been extended to March 14, 2021. There is a gradual phase-out of PUA for individuals who are receiving assistance on March 14 until April 5, 2021.
- **Application Period:** Now through March 14.
- **Next Steps for Providers:** Those who are currently receiving PUA and continue to be eligible do not have to take action to receive assistance. Those who are not currently receiving PUA and believe they may be eligible should contact their state's Department of Labor.

Unemployment Assistance

- **About:** Substitutes and Assistants who have been laid off may be eligible for unemployment assistance. The relief package replenishes state unemployment funds. The \$600 weekly supplement to individuals receiving unemployment, which expired at the end of July, has been restored at \$300 per week until March 14, 2021 (unless extended by Congress). Those who were disqualified from receiving PUA because they were eligible for regular state unemployment may receive an additional \$100 per week if they earned at least \$5,000 in self-employment income.

Economic Impact Payments (Stimulus Checks)

- **About:** Taxpayers with Social Security Numbers and annual incomes up to \$75,000 a year (\$150,000 for couples filing jointly) will receive Economic Impact Payments of \$600 per individual (\$1,200 per couple). They will also receive \$600 per child. Moderate income taxpayers who earn up to \$87,000 a year will receive smaller payments based on the amounts reflected on their 2019 and 2018 tax returns.
- **Application Period:** Automatic payments have already begun.
- **Next Steps for Providers:** Educators who have not filed 2019 tax returns should do this now. Anyone who received a tax refund in the past two years through direct deposit will see the Economic Impact Payment reflected in their bank statement. If the IRS does not



have taxpayers' direct deposit information on file, they will receive checks or prepaid cards in the mail. For more information, to track individual payments, and to make sure the IRS has current address information, [click here](#).

Retroactive Economic Impact Payments for Mixed-Status Families

- **About:** Mixed-status families earning up to \$150,000 -- married taxpayers filing jointly where one spouse has a Social Security Number and one spouse does not -- are eligible for a payment of \$600 plus \$600 for each child with a Social Security Number. These families were prevented from receiving previous Economic Impact Payments through the CARES Act in 2020. The latest package corrects this error by adding a retroactive payment of \$1,200 for each taxpayer with a Social Security Number plus \$600 for each qualifying child. In other words, mixed-status families should expect to receive \$2,000 for each adult taxpayer with a Social Security Number and additional funds for each child with a Social Security Number. These payments do not count toward the 'public charge' rule.
- **Application Period:** Automatic payments have already begun.
- **Next Steps for Providers:** Educators who have not filed 2019 tax returns should do this now. If they have received IRS refunds in the past two years through direct deposit, Economic Impact Payments will be reflected in their bank statements. If the IRS does not have their direct deposit information on file, they will receive a check or prepaid card in the mail. For more information, to track payments, and to make sure the IRS has current address information, [click here](#).

Housing Assistance

- **About:** The relief bill provides \$25 billion to state and local governments to increase emergency rental assistance. Eligible renters must have:
 - household incomes of 80 percent of Area Median Income or less;
 - one or more household members who can demonstrate a risk of experiencing homelessness or housing instability; and
 - one or more household members who qualify for unemployment benefits or experienced financial hardship due, directly or indirectly, to the pandemic.Renters with household incomes of 50 percent of median income or less and those who are unemployed receive priority.
- **Application Period:** The application period for housing assistance varies by state.
- **Next Steps for Providers:** The process for receiving housing assistance varies by state. Educators should contact their state's housing agency to determine next steps.



Child Care and Head Start

- **About:** Child care relief for providers and families is funded at \$10 billion, three times more than earlier relief provided through the CARES Act. In distributing these funds, states have more discretion than they typically have in distributing annual federal child care allocations. For example, states can use relief to support providers and families who don't usually receive subsidy. Funds can be used to cover providers' fixed costs and increased operating costs due to the pandemic. Moreover, the legislation signals Congress' interest in seeing states pay providers based on enrollment rather than attendance and ensuring that educators experience some improvement in compensation during the pandemic. In addition to child care, Head Start received \$250 million for relief.
- **Application Period:** Each state must receive federal approval for its plan to use child care relief, which could delay the release of these funds. Once released, they are not expected to last long. Funds for Head Start will be distributed by the federal government directly to Head Start grantees.
- **Next Steps for Providers:** Providers should be on the lookout for information from their state's child care agency.

Supplemental Nutrition Assistance Program (SNAP)

- **About:** The new relief package increases the monthly SNAP benefit level by 15% through June 30, 2021 and excludes unemployment assistance from being counted toward household income for SNAP eligibility.
- **Next Steps for Providers:** Providers and the families they work with may be eligible for SNAP benefits, and should check with the administering entity in their state to learn more.

Child and Adult Care Food Program (CACFP)

- **About:** The new federal relief package provides emergency funding to CACFP Sponsors and providers to continue serving early childhood and school-age children through 2021.
- **Next Steps:** Providers who are enrolled with CACFP do not have to take action and will be notified of changes by their program Sponsor or Intermediary. Providers that do not receive CACFP but serve low-income children should enroll with a local sponsoring agency.

