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Child Care Providers and COVID-19: Paying the Bills and Helping Staff Pay Theirs

March 30, 2020

During the last two weeks, ACNJ has received many emails and calls regarding a variety of issues and questions related to COVID-19 and its impact on New Jersey's child care community. We have pulled together some resources to help provide a better understanding of the supports available to child care, now and in the future. In the meantime, the information below includes an update on the third federal stimulus package as well as some state resources on unemployment and small business assistance. ACNJ will share any additional information received from our state and national partners as it becomes available.

Recent Federal Supports

Last Friday, President Trump signed into law the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act), a \$2 trillion stimulus package that provides relief to child care, unemployment and small businesses. Below are the relevant highlights, as reported by the National Women's Law Center.

Child Care

- \$3.5 billion in emergency funding for the Child Care and Development Block Grant (CCDBG) will be available through September 30, 2021. States can use this funding to address critical child care needs. The Center for Law and Social Policy (CLASP) has estimated that of the \$3.5 billion in emergency CCDBG funding, New Jersey is estimated to receive \$61,184,833, which can be used for:
 - Providing continued payments and assistance to child care providers in the case of decreased enrollment or closures related to novel coronavirus, and to ensure they are able to remain open or reopen as appropriate;
 - Providing child care assistance, without regard to income, to health care sector employees, emergency responders, sanitation workers, and other workers deemed essential during the response to the novel coronavirus; and

- Providing funding to child care providers who were not participating in subsidy prior to the public health emergency for the purposes of cleaning and sanitation and other activities necessary to maintain or resume the operation of programs.

➤ \$750 million for Head Start

Unemployment Insurance (UI)

- \$250 billion in temporary enhancements to the UI system through 2020, including:
 - A \$600 increase in the weekly UI checks of unemployed workers;
 - Special disaster relief program, Pandemic Unemployment Assistance (PUA), that expands UI coverage to self-employed workers, gig workers, and independent contractors; and
 - A temporary 13-week extension of UI benefits. This would be added to New Jersey’s existing 26-week UI benefits.

For more information, read [Bipartisan Policy Center and the Committee on Economic Development One-Page Document on Unemployment Compensation and COVID19](#).

Recovery Rebates

- The legislation provides for direct payments to individuals called “recovery rebates”.

Taxpayers earning \$75,000 and below will receive a \$1,200 check. Married couples making \$150,000 and below will receive \$2,400. Individuals and couples under this earnings cap would also receive \$500 per child who is 16 years or younger.

U.S. Small Business Administration (SBA) loans/grants

- \$10 billion for SBA emergency grants to small businesses, including non-profits. Businesses with fewer than 500 employees could be eligible for up to \$10 million in forgivable small business loans. For-profit small businesses, non-profit organizations, sole proprietors, independent contractors and self-employed individuals are all eligible. The loan period will extend from February 15, 2020 to June 30, 2020. Loans can be used for specific purposes including wages, paid sick leave, family leave or health insurance benefits, mortgages, rent and utilities. For more information, read [The Bipartisan Policy Center and Committee for Economic Development summary](#).

State Supports

If You Are a Child Care Owner

- *The New Jersey Economic Development Authority's (NJEDA) Small Business Emergency Assistance Grant:* This money is for small and medium sized businesses and non-profits aimed at helping them support and maintain their employees during this period. The grants are up to \$5,000 for businesses with 1-10 full-time employees.
- *NJEDA's Small Business Emergency Assistance Guarantee Program:* A \$10 million pilot program that makes loans from Premier Lending bank to small businesses and non-profits that have been affected by the COVID-19 outbreak. The program provides a 50 percent guarantee, not to exceed a total NJEDA exposure of \$100,000 to Premier Lenders that will issue working capital loans or lines of credit to support business continuity for a range of COVID-19-related impacts to businesses (reduced revenue, employee shortage, supply chain impact, etc.)

If You Are a Child Care Employee

- *Department Of Labor's (DOL) Chart for COVID-19 Benefits.* This easy-to-follow chart outlines COVID-19-related scenarios and benefits for specific employee situations.
- *DOL Benefits and the COVID-19: What Employees Should Know.* Find a treasure trove of information on eligibility for:
 - Earned Sick Leave
 - Temporary Disability
 - Family Leave
 - Unemployment Insurance

If you have any questions, please contact needincomesupport@njcitizenaction.org