

Important Update on Resources for Child Care Providers

As of April 1, 2020

There are several new programs available to help child care programs specifically, and small businesses and employees in general. This is a summary of what we know so far. The decision whether to access the loan programs is one that you as a business owner must make; we are happy to provide information and talk through options. But, ultimately it is a decision that you must make.

IMPORTANT DATE: This Friday, April 3rd the application for the Payroll Protection Program (PPP) opens in New York. It is highly suggested that anyone interested in this forgivable loan program apply as soon as possible. The funding is capped and will be distributed on first-come, first-served basis. (More details below.)

Child Care Specific Funding

The law includes a \$3.5 billion increase to the Child Care and Development Block Grant (CCDBG). This funding is intended to help states maintain child care operations and support first responders and health care workers. States may spend CCDBG funds on the existing purposes under the law, including supporting Child Care Resource and Referral (CCR&R) Agencies, and may also use the funds for the following:

- Payments to providers, even in cases of decreased enrollment, to ensure they remain open or reopen when supported;
- Payments to providers to pay salaries or wages to child care staff;
- To provide child care to essential personnel without regard to income eligibility; and
- To provide cleaning and sanitation assistance to all providers.

As of right now we do not know how much New York State will receive or how it will be distributed to the counties. It does seem to be available programs even if they do not currently receive any child care subsidy funding. We will let you know as soon as we have more details.

Small Business Support

Paycheck Protection Program: \$350 billion worth of Small Business Administration (SBA) loans for businesses and nonprofits. The program would provide 8 weeks of cash-flow assistance through 100 percent federally guaranteed loans to small employers who maintain their payroll during this emergency. If the employer maintains its payroll, then the portion of the loan used for covered payroll costs, interest on mortgage obligations, rent, and utilities would be forgiven. **Application process opens on Friday, April 3rd. More detail attached.**



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Economic Injury Disaster Loans: Expanded eligibility to the SBA's Economic Injury Disaster Loans (EIDL) for businesses to keep their doors open and pay their employees.

Emergency Grants: Allows businesses that apply for an EIDL expedited access to capital through an emergency grant— an advance of up to \$10,000 within three days to maintain payroll, provide paid sick leave, and service other debt obligations.

More information on the grants and loans is available [from the Small Business Administration](#).

Unemployment Insurance Expansion:

The bill substantially expands unemployment insurance to those unable to work due to the novel coronavirus. **This includes self-employed and part-time workers.** For workers who are furloughed, laid off, or find themselves without work through no fault of their own because of the COVID-19 pandemic and our public health response to it, they will now have access to **their usual calculated benefit plus an additional \$600 per week** in compensation. This expansion lasts through July 31, 2020,

More information on the UI expansion is [available from the National Employment Law Project](#).

Stimulus Paychecks:

The bill also provides stimulus checks to American households, with qualifying individuals receiving \$1,200. In addition, households would receive an extra \$500 for every child age 16 and under.



PAYCHECK PROTECTION PROGRAM FAQ

Where can I apply? You can apply through any existing SBA lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating. Other regulated lenders will be available to make these loans once they are approved and enrolled in the program. You should consult with your local lender as to whether it is participating. Visit www.sba.gov for a list of SBA lenders.

Who can apply? All businesses – including nonprofits, veterans organizations, Tribal business concerns, sole proprietorships, self-employed individuals, and independent contractors – with 500 or fewer employees can apply. Businesses in certain industries can have more than 500 employees if they meet applicable SBA employee-based size standards for those industries (click [HERE](#) for additional detail).

What do I need to apply? You will need to complete the Paycheck Protection Program loan application and submit the application with the required documentation to an approved lender that is available to process your application by June 30, 2020. Click [HERE](#) for the application.

What other documents will I need to include in my application? You will need to provide your lender with payroll documentation.

Do I need to first look for other funds before applying to this program? No. We are waiving the usual SBA requirement that you try to obtain some or all of the loan funds from other sources (i.e., we are waiving the Credit Elsewhere requirement).

How long will this program last? Although the program is open until June 30, 2020, we encourage you to apply as quickly as you can because there is a funding cap and lenders need time to process your loan.

How many loans can I take out under this program? Only one.

What can I use these loans for? You should use the proceeds from these loans on your:

- Payroll costs, including benefits;
- Interest on mortgage obligations, incurred before February 15, 2020;
- Rent, under lease agreements in force before February 15, 2020; and
- Utilities, for which service began before February 15, 2020.

What counts as payroll costs? Payroll costs include:

- Salary, wages, commissions, or tips (capped at \$100,000 on an annualized basis for each employee);
- Employee benefits including costs for vacation, parental, family, medical, or sick leave; allowance for separation or dismissal; payments required for the provisions of group health care benefits including insurance premiums; and payment of any retirement benefit;
- State and local taxes assessed on compensation; and

- For a sole proprietor or independent contractor: wages, commissions, income, or net earnings from self-employment, capped at \$100,000 on an annualized basis for each employee.

How large can my loan be? Loans can be for up to two months of your average monthly payroll costs from the last year plus an additional 25% of that amount. That amount is subject to a \$10 million cap. If you are a seasonal or new business, you will use different applicable time periods for your calculation. Payroll costs will be capped at \$100,000 annualized for each employee.

How much of my loan will be forgiven? You will owe money when your loan is due if you use the loan amount for anything other than payroll costs, mortgage interest, rent, and utilities payments over the 8 weeks after getting the loan. Due to likely high subscription, it is anticipated that not more than 25% of the forgiven amount may be for non-payroll costs. You will also owe money if you do not maintain your staff and payroll.