TRAINING:
Guide for Virginia Child Care Providers to Navigate the COVID-19 Crisis

April 20, 2020
AUDIENCE, OBJECTIVE, AND GOAL

- Our intended audience is individuals whose professional responsibilities include interaction and engagement with child care providers in support roles including but not limited to licensing representatives, child care resource & referral personnel, Infant and Toddler Specialists, Virginia Quality personnel.

- Our objective for this training is to help these individuals feel equipped to share the guide with child care providers of all types as a helpful tool to support their decision-making.

- Our goal is to expand an informed support system interfacing with child care providers to offer the Guide, shed light on factors to consider, demystify some of the tools for decision-making, and point providers to resources and professional advisors.
THE GUIDE

Find it here:

Or
- https://www.earlyeducationbusiness.com/covid-19
GUIDE CONTRIBUTORS

The development of the resource document was a collaborative effort among these contributors:

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- Kathy Glazer and Karin Bowles, Virginia Early Childhood Foundation.
Agenda

• Reduce Information Anxiety
• Build Confidence with Tools
• Direct Providers to Appropriate Support
• Child Care Funding in the CARES Act
• Financial Documentation Preparation
Guide for Virginia Child Care

- Knowledge Guide
- Risk/Benefit Assessment
- Explore Financial Options

Website for all Resources
www.EarlyEducationBusiness.com
Maintain Financial Stability

- Virginia DSS child care subsidy payments
- CCDF stimulus funds
- CACFP reimbursements
Ensuring Enough Emergency Child Care

- Child Care Aware of Virginia has developed a new map to reflect the current state of child care in Virginia in response to community needs.
- Map enables community planners, partners, the child care workforce and even parents to see what’s happening in their localities & across the Commonwealth.

[Map image]

Download data from: [https://vachildcare.com/data/va-child-care/](https://vachildcare.com/data/va-child-care/)
## Virginia’s Approach

<table>
<thead>
<tr>
<th>Virginia’s Goal</th>
<th>How Virginia Will Use the Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Support providers who are open to serve children during the pandemic</strong></td>
<td>Child care providers that are open and serving essential personnel will be eligible for a new grant program that will provide direct cash assistance each month (April – June) based on program size.</td>
</tr>
<tr>
<td><strong>Support low-income families who rely on child care subsidies</strong></td>
<td>Families in the Child Care Subsidy Program will not have to make co-payments from April 1 - June 30. Co-payment amounts will be automatically included in provider payments for this period.</td>
</tr>
<tr>
<td><strong>Support providers in the Child Care Subsidy Program, even if they are temporarily closed</strong></td>
<td>Child Care Subsidy providers that are temporarily closed may request absence payments for additional days for participating children. This parallels a provision for open Subsidy providers.</td>
</tr>
<tr>
<td><strong>Ensure back-up emergency child care is available as needed</strong></td>
<td>Funding will supplement costs of back-up, emergency child care in public schools as needed.</td>
</tr>
</tbody>
</table>
Supporting Open Child Care Centers

- Half of the new CARES child care (CCDBG) funding will support child care programs that are open during the pandemic.
- Licensed child day centers, religious-exempt child day centers, licensed family day homes, voluntarily-registered family day homes as well as Subsidy providers are eligible.
- Eligible programs will receive a monthly payment of $25 times half of their total licensed capacity for each week you provide care to children. For example, if a site’s total capacity is 50 children, the grant amount would be 25 (half of the total capacity) times $25, for a total of $625 per week, or $2,500 for each four-week period.
- To be eligible, the program must:
  1. Be open for the month applied for (April, May and/or June)
  2. Be providing or are willing to provide care care for children of essential personnel
  3. Comply with the enhanced health and safety requirements
  4. Apply.
How to Apply

- Child care providers that are open, available to essential personnel, and want to apply for the new grant program should look for information at [https://www.dss.virginia.gov/cc/covid-19.html](https://www.dss.virginia.gov/cc/covid-19.html). Questions may be submitted to ask4care@dss.virginia.gov.

Maintain Financial Stability

- Paycheck Protection Program (PPP)
- SBA Economic Injury Disaster Loans (EIDL)
- Philanthropic and/or Local Government Funds
Prepare Financial Documentation

• Establish Business Banking Relationship
• Set up EIN number – Form SS4
• Separate business bank account
• Understand individual lender documentation requirements
• Understand lending criteria
Supporting Staff

• Families First Coronavirus Response Act: Employer Paid Leave

• Unemployment Benefits and Pandemic Unemployment Assistance

• Student Loan Forgiveness
Protecting health

- Children and COVID-19
- Vulnerable populations
- Changes in program operations

Supporting family and community well-being:

Essential personnel
Center Operating Status

Risk Assessment Tool

- Stay open
- Close
- Re-open to support essential personnel
### Risk/Benefit Assessment: Assessing the Benefits and Risks of Staying Open (or Reopening)

To weigh the relative risks and benefits of staying open, first examine the benefits for each group—families and children, your staff and program, and your community. For each group, check the box in either the first or second column that best describes your situation. Then do the same for the risks. How many checkmarks do you have in the “Strong Benefit” (green) box versus the “Strong Risk” (red) box? Is this consistent with your values? Are there certain benefits or risks that you would weight differently? Remember that there is no perfect choice and that you are doing the best you can in an extremely difficult situation. Again, we strongly recommend that you seek advice from legal and financial advisors as you make decisions and take action.

<table>
<thead>
<tr>
<th>BENEFITS TO</th>
<th>Limited Benefit</th>
<th>Strong Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our families &amp; children</td>
<td>Although it’s challenging for families, many are keeping their child home already and are able to make it work without child care.</td>
<td>If we were not open, many of our families would not be able to work and would experience significant financial hardship without child care.</td>
</tr>
<tr>
<td></td>
<td>Our financial situation is stable enough to support temporary closure (e.g., families are donating tuition, Small Business Administration loans/grants or other funding can sustain us).</td>
<td>Staying open will prevent significant financial losses that would lead to staff furloughs and/or permanent closure.</td>
</tr>
<tr>
<td></td>
<td>Only a few, if any, of our parents are classified as essential personnel. There would not likely be a significant benefit to community health and well-being if we were open.</td>
<td>Some of our parents perform essential jobs that are critical to the health and well-being of those in our community. We know that other essential personnel may need child care and we want to be a part of a community solution to ensure that those who need to work can.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>RISKS TO</th>
<th>Strong Risk</th>
<th>Limited Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our families &amp; children</td>
<td>We have many children currently attending that have moderate or severe asthma or other pre-existing health conditions.</td>
<td>We have no at-risk children currently attending the program or feel confident in our precautions for any at-risk children.</td>
</tr>
<tr>
<td>Our staff &amp; program</td>
<td>Many of our staff are high-risk and would likely get sick with serious consequences. We could not operate without them and/or they would suffer financial hardship if they had to take a leave of absence.</td>
<td>We have no high-risk staff or feel confident that we can take appropriate precautions, including supporting them in taking time off.</td>
</tr>
<tr>
<td>Our community</td>
<td>It is likely we will significantly contribute to community spread through children/families/staff and those outside the program with whom they are in contact.</td>
<td>We are able to follow the health and safety guidance and feel confident that we can minimize the risk of disease spread through our staff and families.</td>
</tr>
</tbody>
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Financial Plan

- Develop a strategic proactive plan
- Inventory short-term revenue and expenses
- Calculate short-term cash flow
- Seek additional revenue
- Find relevant resources
Financial Options Under Current Plan

**STEP 1:** Inventory short-term revenue and expenses given current conditions

- **If your program is OPEN or considering RE-OPENING**
  - I have children still attending but enrollment is restricted given group size caps.
  - I have children still enrolled but not attending.
  - I have children who have withdrawn from program.

- **My plan for family tuition payments is...**
  - Families pay full tuition
  - Families pay partial tuition (e.g., discount, sliding scale)
  - Tuition is not collected (with or without notice)*

- **I have children eligible for subsidy payments**
  - Subsidies received
  - Paid absence days (76 days)

- **I have children eligible for CACFP reimbursements**
  - CACFP reimbursements received
  - Eligible for distribution of meals for parents to take home to children

- **I have other revenue including...**
  - CCDF stimulus funding from VDSS**
  - Philanthropic or other fundraising options
  - Other revenue or savings

- **Considerations for managing expenses**
  - Changes in labor costs?
  - Possibility of deferring rent/mortgage payments?
  - Changes in food/supply costs?
  - Changes in contracted services?

* Check contract and revise if necessary, with parent approval
** Pending approval

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**STEP 2:** Calculate short-term cashflow to determine your needs

**Use EEBC short-term cashflow analysis tool**
STEP 3: Seek additional funding as necessary

For providers who are OPEN or CLOSED

I need help...
- Retaining staff and/or making mortgage, lease, and utility payments

I am self-employed or have staff when...
- Are quarantined or seeking medical diagnosis
- Are caring for family members who are sick or quarantined
- Are caring for child whose school/child care is unavailable
- Have been furloughed or are not being paid
- Have hours that have been cut back
- Are federal student loan borrowers

SBA Emergency Loans
- Economic Injury Disaster Loan Advance: Emergency advance of up to $10,000 within 3 days of application that can be fully forgiven if used for qualifying expenses
- Paycheck Protection Program: Loan of up to 2.5x average monthly payroll expenses. If payroll is maintained, eligible for forgiveness of up to 8 weeks of qualifying expenses.

Families First Act Paid Leave
- Up to 80 hours paid sick leave at 100% of pay (up to $5,100 total)
- Up to 80 hours paid sick leave at 2/3 regular pay (up to $2,000 total)
- Up to 12 weeks paid sick/child care leave at 2/3 regular pay (up to $12,000 total)

Unemployment Insurance
- Weekly benefit payment dependent on past earnings (maximum of $378) for up to 39 weeks + additional $600/week until July 31
- Pro-rated unemployment benefits based on past earnings + $600/week until July 31

Student Loan Suspension
- Payments due on federal student loans are suspended and interest is waived until Sept. 30

Other Funding
- State/Other Loans
- Crowdfunding strategies
- Philanthropic support
- Local EDA fund

Qualifying expenses include: wages, paid sick/child care leave, health insurance, retirement benefits.

Providers receive 100% reimbursement for paid leave (including health insurance costs). May be issued as an advance.

Staff

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**An employer cannot “double dip” by using both sources to pay the same employees.**
Other Funding

- Traditional Financing
- Donations
- Business Grants
- Home Equity Loans
- Retirement Accounts
- VSBFA Child Care Loan Program
  - 0% interest rate, 6 months deferment
  - Application fees waived
  - Only used for tangible items
Next Steps

• Determine a plan ASAP
• Commit to completing Cash Flow Projection
• Get funding in place
• Dedicated effort on business financial supports
• Secure current customer base
• Rebuilding strategy
• Marketing plan
• Innovate
• Focus on business systems
• Shared Services at www.vasharednetwork.org
• Automation and technology
## COVID-19 Strategic Planning Worksheet

**Business Name:** ____________________________  **Client Name:** ____________________________

**Email:** ____________________________  **Phone:** ____________________________

| Overview of current business situation |

### STEP 1  Explore Financial Options

- **Open/Closed**
- **Tuition Strategies**
- **Other Revenue**
- **Managing Expenses**
- **Support Staff**

### STEP 2  Calculate Cash Flow

- **Documents Needed**

### STEP 3  Seek Additional Funding

- **Loan Programs**
- **Additional Funding Options**

### Next Steps

- **Prepare for what comes next**

### Follow Up Items
COVID-19 Strategic Planning Worksheet

Overview of current business situation

STEP 1  Explore Financial Options

Open/Closed
- Risk Assessment
- Protecting Health
- Program Changes
- Essential Personnel

Tuition Strategies

Other Revenue
- Social Services
- CDF/CARES
- CACFP

Managing Expenses
- Labor
- Deferments
- Non-essential Services

Support Staff
- Family First Coronavirus Response Act
- Unemployment Benefits
- Student Loan Forgiveness

Page 8

Pages 5 - 7

 STEP 2  Calculate Cash Flow

Documents Needed

Page 9

Page 10

STEP 3  Seek Additional Funding

Loan Programs
- PPP
- EIDL
- Philanthropic and/or Local Government Relief

Additional Funding Options
- Creative Financing
- Think outside the box

Next Steps

Prepare for what comes next

Follow Up Items
Resources Website
www.EarlyEducationBusiness.com

- COVID-19 CDC links for schools
- Disaster Loans & Tax Programs
- Employer Law & Resources
- Webinars

Virginia SBDC Network
www.VirginiaSBDC.org
We invite your feedback!

Please visit

https://vecf.typeform.com/to/FJGqRa