



Head Start and COVID-19 Relief

Including Changes from the December 2020 COVID-19 Relief Law

The COVID-19 pandemic and its economic effects continue to impact millions of families across the United States. Unemployment rates are high, with job loss especially high in low-wage industries, and families are struggling with food and housing insecurity.

On December 27, after months of negotiations, the President signed the Consolidated Appropriations Act of 2021 into law, including funding for annual appropriations and COVID-19 relief. The law included \$250 million for Head Start programs' COVID-19 needs, as well as other provisions which may impact Head Start families.

This document is a guide to provisions in the law beyond Head Start funding that are designed to lessen the economic impact of the pandemic on children and families. Please review these resources about accessing support and share your feedback, questions, or concerns to advocacy@nhsa.org.

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Housing Support

Eviction moratorium

The federal eviction moratorium has been extended to January 31, 2021. While the moratorium provides critical support in the current moment, many are wary of the implications of an expirating moratorium at a time when many are suspected to be behind on rent.

→ Unless further action is taken before February to extend the moratorium, the Head Start community should remain diligent in efforts to identify and prevent families experiencing increased housing instability.

Rental assistance

\$25 billion in rental assistance will be administered by the U.S. Department of Treasury. Funding will go to states, and renters will be able to apply for assistance through state and/or local relief organizations. How your state will disseminate funds will be determined by state officials. For some states, rental assistance programs are already established; other states will need to establish ways to get the assistance to renters.

→ Head Start can work to identify options for rental assistance that are available in their communities.

Eligibility: Renters are eligible to apply for relief if (1) they earn below 80% of the median income in their particular geographic area and they (2a) qualified for unemployment benefits, lost income, or experienced financial hardship due to COVID-19 or (2b) can demonstrate they are at risk of losing their home.

Uses: The assistance can be used by renters for previous months' rent, utility bills, or future rent. Renters can receive up to 15 months of assistance.



Nutrition Support

Supplemental Nutrition Assistance Program (SNAP)

- A 15% increase in benefit amount will be provided through June 2021 (including for those currently receiving the maximum benefit).
- **Eligibility:** Federal unemployment benefits and stimulus checks are *not included* in determining eligibility. State unemployment benefits may still be counted.
- <u>College students</u>, including those who are (1) enrolled part-time *and* either (2a) eligible for work study *or* (2b) have an expected family contribution of \$0, are eligible for assistance.
- Apply here.

Updated 1/13/21

→ Head Start can share information on eligibility changes, so families can access needed nutrition support.

Pandemic EBT (P-EBT)

- For families who no longer have access to free or reduced-price meals through schools,
 Pandemic EBT can provide around \$114/child each month, in addition to SNAP benefits.
- The availability of the benefit varies by state. As a new program, established due to COVID-19, states and the federal government have been slow to establish consistent access to the benefit.
- The new legislation expands eligibility of the program to include children younger than age 6, which can be critical for families unable to attend Head Start or child care programs.
 - → Head Start should work with their appropriate state department to ensure families who need P-EBT are able to access it as soon as it becomes available.

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Stimulus Checks

The relief package includes a second round of stimulus checks, the amount of which will be calculated largely based on tax filings. U.S. citizens and those with identification numbers on tax returns are eligible. Check estimates can be made using the tool here, and answers to questions can be found on the IRS website.

- **Individuals** with an adjusted gross income of less than \$75,000 will receive \$600 stimulus checks.
- **Joint filers** with an adjusted gross income of less than \$150,000 will receive stimulus checks of up to \$1,200.
- **Higher-income earners** may receive a smaller check because the stimulus check amount is phased out across earning thresholds.
- **Dependents** under age 16 may also be able to receive checks, meaning there is potential for additional relief for families.

Student Loans

For employers:

• <u>Direct support</u> from employers to support employees in making student loan payments (up to \$5,250 per employee) is incentivized by allowing employers to avoid payroll tax while also averting income tax for employees.

For individuals:

- **Student loan payments** and interest accrual are temporarily suspended (unless you've opted otherwise), but this will expire on January 31, 2021 unless further action is taken.
- Student loan cancellation was not included in the law.
- FAFSA forms have been simplified by the new law.
- Find more information on preparing for loan repayments to resume <u>here</u>.

Unemployment Insurance

The new law included \$286 billion for supplemental unemployment relief across multiple programs through March 14, 2021.

- Federal unemployment insurance provides an additional \$300 per week (similar to the \$600 per week benefit that expired in July, 2020).
- Pandemic Unemployment Assistance (PUA) extends coverage to the self-employed, those in the gig economy, and others in non-traditional employment.
- Pandemic Emergency Unemployment Compensation (PEUC) provides additional federal unemployment benefits to those who have exhausted benefits offered by their state.
- Since unemployment programs are run by states, see your state Department of Labor website for more details.
- More information can be found here.

Child Care

The law includes \$10 billion for the child care sector.

- Funding will first go to states, territories, and tribes that will make decisions about when and how funding will be disseminated to local providers. These entities have 60 days to outline their intentions for the funding.
- Eligible costs may include maintaining salaries, providing safe services, and reducing family co-payments, among others. More information can be found here.
- Children of essential workers may be served regardless of income.
- States are encouraged to deliver provider payments regardless of child attendance.



Paycheck Protection Program (PPP)

The law includes \$284 billion in PPP and extends the program through March 31, 2021.

- Loans will become available to a select group as early as January 11, 2021.
- Community financial institutions will be able to accept applications for first-time PPP borrowers on January 11, 2021. \$60 billion is reserved for this first-time group, focusing on entities with fewer than 10 employees in low-income areas.
- On January 13, 2021, small businesses and nonprofits seeking their second PPP loan can apply. The amount is capped at \$2 million and entities must have fewer than 300 employees.
- If an entity is requesting less than \$150,000, the process is simplified and shorter.
- The process has been reformed this round to ensure access to the loans among a wider group of applicants. This includes reserving \$30 billion to lenders, including community development financial institutions (CDFIs), minority depository institutions, and others.
- Funding can be used to support operations, secure personal protective equipment (PPE), and much more.
- More details can be found on the Small Business Administration website and here.

Paid Leave

- Paid sick leave and family and medical leave that was expanded in 2020 in response to COVID-19 was not included in this bill, meaning the additional leave requirements expired on December 31, 2020.
- For employers: Refundable payroll tax credits for paid sick leave and family leave are extended through March 31, 2021. More information can be found here.

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Broadband

The new law includes funding to support families from low-income backgrounds in accessing broadband. This includes \$1 billion to support access on Tribal lands, \$300 million for rural communities, and \$285 million for communities near historically Black colleges.

- The Emergency Broadband Benefit provides \$50 per month (or \$75 per month on tribal lands) to discount the cost of internet service.
- Eligibility is based on qualifying for free or reduced cost lunch or <u>the FCC's Lifeline</u>
 <u>program</u>, those who have lost their jobs as a result of COVID-19, or households of Pell
 grant recipients.
- Discounts are offered through internet service providers. More information can be found here.
- The benefit will expire six months after the administration declares the end of the COVID-19 emergency.
 - Some families may be eligible to receive \$100 towards the purchase of a computer.

Dollar per Child Makes NHSA's Advocacy Work Possible

Making Head Start part of the COVID-19 relief response... lobbying Congress for more funding for programs... influencing public opinion through the media. Every day, in different ways, the Dollar per Child campaign enables NHSA to achieve Head Start's advocacy goals.

Contribute to keep the momentum going!



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