

# COVID-19 Relief Spending



**DECAL**  
**Thriving Child Care**  
**Business Academy**

## **Tips and tools for using relief funds effectively.**

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With the passage of new Covid relief packages from the state and federal government, a great deal of money flowed into childcare businesses across the country. This influx of much-needed funding can have a huge impact on your business, your staff, and the children in your care. Though this funding brought much needed relief, the challenge has been to balance your short-term and long-term business needs and decide how to best utilize these funds. This informational resource is designed to help you think through ways that you can **most effectively use this money**, both to recover from losses sustained in 2020 and to **strengthen your business/ organization** in the future.

### **Over the past few years, money has been distributed through:**

- Grants and subsidies directly to childcare providers;
- Funds for families using child care; and
- Stimulus programs, such as the Employee Retention Tax Credit.

Most of these funding sources can be used in a wide variety of ways. In many cases, there are no restrictions at all. However, please ensure that your intended use of funds is allowed and in compliance with the terms of the specific funding that you have received.

### **Relief money arrived! Now what?**

Our overarching recommendation is not to use all your funds at once. Using the funds a little at a time will allow you to maintain an emergency reserve of cash, while gradually investing in areas of critical need.

The investment ideas listed below can help you maximize the impact of your spending and ultimately, strengthen and revitalize your operations moving forward.

### **Investment Idea #1: Make Up for Lost Revenue**

Through the pandemic, many childcare businesses lost revenue due to closures and reduced enrollment. Whether you had to take out a loan, dip into savings, or cut back on your own pay, you can use these relief funds to recover from those losses, and restore wages.

During the pandemic, many businesses also had to take on debt to survive. Whether from

a business loan, the Economic Injury Disaster Loan program, or other commercial debt, accumulated debt can make it significantly harder for your business to recover. Oftentimes, monthly debt payments consist of a percentage of your remaining principal balance. The higher this balance, the higher the interest you pay each month. Paying down this debt is a sound strategy that will help you continue to serve families and regain the ability to make a profit by reducing your monthly costs and freeing up some revenue to use elsewhere.

Funds can also be used to keep up with payments while you get back on your feet. For example, if you are having trouble affording regular expenses such as utilities or home payments (for ownership or leases), you may be able to use these funds to keep operations going.

## **Investment Idea #2: Improvements to Your Home or Center**

Do you have a list of program quality or health and safety improvements that need to happen to your facility? This influx of funds can help you check off some of those long-term investments. Some ideas include replacing your heating or cooling system, replacing your roof or your gutters, providing new bathroom fixtures and toilets, or even revamping the kitchen.

You can also consider adding other physical improvements, such as new laundry machines, replacing a refrigerator or an extra freezer, or any other kind of equipment that may help to make things more efficient and effective.

With the added sanitation demands of the pandemic, you can also add equipment like:

- Portable sinks;
- Hand sanitizer dispensers;
- Touchless faucets and soap dispensers;
- HVAC or ultraviolet air purifiers to improve indoor air quality;
- Automatic door opener and flusher toilet;
- Touch-free waste bin;
- Steam cleaner vacuum;
- Childcare waiting area with wall dividers;
- Tables with clear tabletop dividers or individual student desks;
- Replacement classroom carpets or flooring;
- Dishwasher; and
- Sanitizer systems for cleaning toys and other materials in the center.

Young children are very susceptible to their environments. It may be helpful to have a facility/ home assessment done to learn how to improve the environmental health of your facility such as air quality and water quality:

- Air quality improvement examples: HVAC upgrade, duct cleaning, humidifier, and/or

portable air cleaners (purifiers). Providers can contact an HVAC specialist to determine what can be done to improve air quality.

- Water quality improvement examples: replacing old, corroded pipes that may be subject to lead and copper contamination. Providers can contact their local health department for water testing. You may want to enroll in the [Clean Water for Georgia Kids program](#).

General improvements to your home or center may include:

- Updating the sign-in and check-out systems used by families or caregivers (i.e., an electronic system that may work with a child care operations system);
- Updating security systems or camera systems for classrooms and common areas; and
- Improving technology equipment (i.e., iPads, laptops, printers/copiers, electronic filing, bookkeeping, tuition or fee payment systems or child care management systems).

**SAVINGS ALERT!** There may be additional programs that provide incentives to support certain building improvements. This can help you leverage recovery funds even further. To find a listing of potential programs in your state, visit the [U.S. Department of Energy — Office of Energy Saver](#).

It can be difficult to find a good contractor, so we have some tips in [ATTACHMENT A](#).

### **Investment Idea #3: Replace or Buy a Van or Bus**

If you include transportation in your business expenses, you probably try to use your vehicle for as long as possible. The funding you receive could present you with an opportunity to replace your van, bus, or the other vehicle that you use for your business with one that is newer, safer, and more efficient. If you do not have a vehicle that you use for your business, you could also purchase a vehicle for the first time. This would allow you to add services such as outings or pick up and drop off services. If you are offering this service for the first time, you may need to consider your staffing needs or model to accommodate the new service offering. As you account for business expenses the new staff role could be funded temporarily with the funds you receive. You will also want to set a budget for the costs associated with vehicle maintenance, any additional liability insurance coverages, staffing needs and fuel. Long term, you may want to charge an additional fee to families who utilize the service.

### **Investment Idea #4: Playground or Outdoor Area Improvements**

Another potential use for funds is to upgrade your playground and outdoor space. Through these improvements, you can create an area that will be more developmentally appropriate

and enjoyable for the children you serve. These can also allow for general safety and comfort for occupants of the facility and visitors. Some ideas include outdoor play structures, play tables, ride on toys, outdoor art stations, or water play tables. Outdoor play spaces are often a big factor for families choosing a center or provider, so improved play space can also impact revenue by attracting new families as well as retaining the ones you have.

Keep in mind that the federal guidelines consider pools a high-risk activity and there are special regulations associated with that kind of offering in terms of the child care subsidy program.

Here are a few ideas to consider for upgrades to your outdoor area:

- Additional riding toys;
- Outdoor toys to push and pull;
- Tunnels or structures to crawl through;
- Upgraded water or sand play areas;
- Slides;
- Updated fencing;
- Materials for an outdoor creative arts or STEM area;
- Updated tricycles, balance bikes, helmets or scooters;
- Rubber surfacing;
- Natural play space materials;
- Children's garden;
- Additional outdoor seating or shaded areas for book reading and outdoor lessons;
- Pavement repair;
- Awning for outdoor waiting areas; and
- Fencing for a pool if you have one (pool covering also).

### **Investment Idea #5: Temporary Pay Increases and Bonuses**

As we all know, childcare staff are highly valued, but typically underpaid. These funds could provide the opportunity to give your existing staff a well-received bonus or a temporary pay increase. (Be sure to clearly inform your team that these are limited duration bonuses, not a permanent change in their compensation.)

Consider a phased approach, such as paying the bonuses out quarterly over a year. A phased approach means you retain cash in case you need it elsewhere and also provides an incentive for retention. If you are offering a one-time cash bonus, 10% of salary is a good rule of thumb. However, a temporary pay increase can provide a longer more sustained impact on your work-force. There is no limit on the amount of the increase, but it is important to have clear rules about how it is being applied. You will want to ensure it is fair to employees and be clear about the time limitation with it.

Additionally, to aid in staff recruitment and retention, consider using the money to offer a sign-on bonus for new employees and offering employee referral incentives to existing staff. You can also use the money to pay for substitutes to give your staff some additional

time off to alleviate some stress.

There are a variety of retirement plans available to small business owners. Consider offering retirement contributions to assist staff with long-term financial planning. It is best practice for all full-time employees to have access to contribute to a retirement plan. At minimum, sole proprietors should open a retirement account for themselves, for the same reasons. In addition to aiding in employee satisfaction, and being a savings tool, there are tax benefits to offering retirement benefits, so it is a win-win.

Consider creating a retreat or relaxation area for staff to use for breaks if you have the available space. This increases the quality of your program and employee satisfaction. You could create or update a designated staff break area with lounge chairs, materials for relaxation or meditation.

### **Investment Idea #6: Shift or Add New Revenue Opportunities**

This influx of money can also give you a chance to explore new revenue opportunities and opportunities for growth. Be creative! Are there other populations you are interested in serving such as children of essential personnel or school age children? Perhaps other services that you've always wanted to offer, such as after school programs? Consider using these funds to expand your business to include new populations or services that would help your business grow over time.

### **Investment Idea #7: Continuing Education or Training for Staff**

These funds can also be a great opportunity to help your staff advance their skills. An investment in your staff can pave the way for new art, music and reading programs, as well as new child learning techniques can serve children better. These programs can also make you a more sought- after provider for families and help to combat reduced enrollment over time.

For Family Care Providers, scheduling time for professional development can be a challenge. You could use the additional funds to cover the cost or expenses associated with the time off or site closures for the professional development days or additional staff coverage you may need to use in order to attend the training. Funds can also be used to cover any staff travel expenses or per diems.

### **Investment Idea #8: Market Your Program**

Operating on tight margins, child care operators do not typically budget funds to invest in marketing their program to attract new families and boost enrollment. Now that securing enrollments is more critical than ever, it is wise to consider using incoming funding to conduct marketing activities. This could consist of designing and purchasing promotional

materials such as fliers and brochures, starting or upgrading a program website, upgrading signage, and purchasing paid ads.

You may also find that a subscription to a shared services program could assist in expanding your network and offer marketing support, in addition to cost-savings opportunities.

### **Investment Idea #9: Prepare for the Unexpected**

While most programs are required to have emergency preparedness plans, have you thought about whether you have the necessary resources, equipment and materials to effectively carry out an emergency plan?

Here are a few ideas to consider that can help you execute your risk management plan:

- Establishing or contributing to an emergency fund to cover expenses associated with emergencies, such as insurance deductibles;
- Emergency supplies, including portable kits for evacuations and 72-hour supply kits for sheltering in place; and
- Text messaging services/parent communication apps to be used for emergency notifications.

### **Conclusion**

While the last few years have certainly been a challenge, these relief packages can help you recover from the losses your business experienced, easing the burden on you, your business, and your staff. Take the time to sit down and create a plan for the use of your funds keeping in mind the variety of ways that they can be used. If you need more support, either acquiring the funds or creating a plan to spend them, please reach out to your local Child Care Resource and Referral Agency.

### **Additional Resources**

**If you have questions or need help, assistance is available.**

[GaPDS Website](#)

[DECAL Thriving Child Care Business Academy Website](#)

[Georgia Licensing Rules and Regulations](#)

**To Find Other Study Guides:** Click on [Resources](#) on the Academy home page

**To Find Training:** Click on [Trainings](#) on the Academy home page

**To Register for Training:** Click on [Schedules & Registration](#) on the Academy home page

**To Sign Up for Study Groups:** Fill out the [Intake Assessment](#)

**For questions about coaching or study groups:** Email [GAcoaching@civstrat.com](mailto:GAcoaching@civstrat.com)

**To Find Other ECE Resources:** Visit the [DECAL Website](#)

**For General Questions about the Academy:** Email [thriving@decals.ga.gov](mailto:thriving@decals.ga.gov)

**For More Information:**

[Family Child Care Learning Home Rules and Regulations](#)

[Child Care Learning Center Rules and Regulations](#)

## Attachment A: Finding a Good Contractor

We often hear from providers that even when they do have the cash to invest in improvements to their home or center, it can often be difficult to find a good, reliable contractor to complete the work. Here are some general suggestions on ways to find and vet a contractor that you can be sure will meet the needs of the job.

### 1. Ask Trusted Contacts for Recommendations

Start with people you know and ask about their previous experiences with contractors. You can even post on social media within your friend network to get referrals and recommendations.

Additionally, you may want to consider approaching home improvement stores or other facilities that you know well. Their trusted employees may be able to provide recommendations on contractors that they personally know.

### 2. Do Your Research

Whether someone comes to you with glowing recommendations or not, you may want to conduct your own search for contractors online.

Some of the more popular and reliable sites include:

- [angieslist.com](http://angieslist.com)
- [checkbook.org](http://checkbook.org)
- [homeadvisor.com](http://homeadvisor.com)
- [houzz.com](http://houzz.com)
- [porch.com](http://porch.com)

Many of these sites are free or low-cost and will give you access to not only contractors, but reviews of actual the users of their services. You may also want to check with your local Chamber of Commerce or the Better Business Bureau too.

### 3. Conduct a Phone Interview

Once you have secured a few referrals, ask them some questions over the phone. Ask:

- If they are licensed and insured, and can provide proof.
- If they typically do projects that are your size.
- For references on not only their work, but also from suppliers and subcontractors.
- For a list of some previous clients, the size of their project, and how it aligns with your particular needs.
- How many projects they typically have going on at the time. Too many projects might mean they won't have the time to do your project in a timely way. No projects may make you wonder why.



#### 4. Meet in Person

After the phone interview, have a face-to-face meeting with three or four of your top candidates. It can be difficult to find the time to meet with more than one contractor, but this is a great way to truly understand what they can offer. Talk about your project and timeline making sure they understand the magnitude and complexity of it.

- Ask them questions about what will happen if there are unforeseen issues that come up.
- Ask them about when they will be able to handle your project, and how long they think it will take.

#### 5. Call References

After meeting in person, call the former clients of those contractors you most liked. Ask past clients about their finished product, how long it took, how satisfied they were and how close the final price was to the original estimate.

If there is a previous client who is willing, schedule a time to go look at the completed work. Make sure it's something that really is comparable with the quality and size of the project that you would like to undertake.

**Note:** This can be tricky since most individuals may not want to receive calls. Perhaps the contractor has a website, pictures, or testimonials that they can share with you.

#### 6. Get Multiple Bids

For the contractors you like and have good references, get a bid from each one. Review the bid, including their timing (how long the project is going to take, when they'll start and end), and have them put that in writing. Be sure to minimize disruption to your daily programming — plan work around a scheduled center break or after-hours.