

Front-Line Employees Hazard Pay Grant Program

Testimony to House Committee on Commerce and Economic Development
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Presented by:

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Program Overview

- Authorized by Act 136 of 2020 and amended by Acts 154 and 168 of 2020
 - Total appropriation of \$60.6 million administered by AHS and DFR
 - Provided grant funding to certain employers whose employees were substantially dedicated to mitigating or responding to the COVID-19 public health emergency or were providing essential services to Vermonters between March 13, 2020 and May 15, 2020
- Round 1 (8/4 – 9/29) was limited to certain public safety, public health, health care, and human services employers
- Round 2 (10/28 – 11/18) was expanded to a broader group of employer types who provided essential services plus former employees

Eligibility and Payment Amount

- Only employers were eligible to apply and disburse funding to their current employees and identify their former employees for payment by the State of Vermont
- 26 categories of "covered employer"
 - Excluded federal, State, and municipal employers, designated agencies, and specialized services agencies
 - ARIS Solutions on behalf of employers of independent direct support providers
- Employers certified employee eligibility, including that they:
 - Worked at least 68 hours during the eligible period (March 13-May 15, 2020)
 - Performed a job that had an **elevated risk of exposure to COVID-19**
 - Were unable to work remotely
 - Earned a base wage of \$25 or less per hour
 - Exceptions for certain health care employees
 - Did not receive unemployment insurance benefits for *more than one week* during the eligible period.
- Payment amount based on the number of hours worked during the eligible period:
 - \$2,000 if at least 216 hours
 - \$1,200 if between 68 and 216 hours **or** if worked at least 68 hours and received unemployment insurance benefits for one week or less during the eligible period

Utilization and Spending

- 1,815 applications were submitted
 - 1,192 were awarded grants (367 in Round 1 and 825 in Round 2)
 - 85 applied for former employees only and were approved (e.g. no current employees or received a grant in Round 1)
 - 538 were denied
- 2/3 of eligible former employees received payments
 - 4,873 were identified by employers
 - 3,240* former employees submitted complete applications
- Total spending = \$57,529,013*
 - \$54,722,800 to employers on behalf of current employees
 - \$5,282,800* to former employees
 - \$335,413* in administrative costs
 - (\$2,812,000)* in returned unused grant funds

Awarded Applicants by Self-Reported Covered Employer Type

Self-Reported Covered Employer Type	# of Awardees	Award Amount (Payments for Current Employees)
A child care facility as defined in 33 V.S.A. _ 3511 that provided child care services to essential service providers pursuant to Directive 2 of Executive Order 01-20	73	\$754,000
A cleaning or janitorial service that provided cleaning or janitorial services to an eligible covered employer during the eligible period in locations that are open to the general public or regularly used by residents or patients of that covered employer	18	\$557,200
A dentist's office or a dental facility	15	\$128,400
A federally qualified health center, rural health clinic, or clinic for the uninsured	14	\$1,137,200
A food service provider that prepared and provided meals for residents or patients of an eligible covered employer during the eligible period	1	\$292,000
A funeral establishment or crematory establishment as defined in 26 V.S.A. _ 1211	19	\$134,000
A grocery store	183	\$12,425,600
A health care facility as defined in 18 V.S.A. _9432 or a physician's office	136	\$10,160,800
A home health agency as defined in 33 V.S.A. _6302	14	\$1,716,800
A homeless shelter, including a lodging establishment as defined in 18 V.S.A _ 4301, that, during the eligible period, provided temporary housing to homeless individuals pursuant to an agreement with the Department for Children and Families	38	\$543,200
An agency licensed pursuant to 26 V.S.A _ 3172 that provides security services, as defined in 26 V.S.A. _ 3151, to another covered employer	3	\$58,800
An ambulance service or first responder service as defined in 24 V.S.A. _2651	39	\$830,400
An assisted living residence as defined in 33 V.S.A. _7102	22	\$1,752,000
An operator of a privately owned water pollution abatement and control facility	3	\$16,000
A nursing home as defined in 33 V.S.A. _7102	41	\$6,214,000
A pharmacy	24	\$5,661,200
A program licensed by the Department for Children and Families as a residential treatment program	11	\$642,800
A provider of necessities and services to vulnerable or disadvantaged populations	115	\$4,754,800
A residential care home as defined in 33 V.S.A. _7102	65	\$3,048,000
A retailer identified as essential in Sec. 6, paragraphs f and h of Addendum 6 to Executive Order 01-20 (hardware stores and retail serving basic human needs such as grocery stores, pharmacies, and other retail that sells food, beverage, animal feed and essential supplies).	312	\$13,300,000
A therapeutic community residence as defined in 33 V.S.A. _7102	12	\$331,600
A trash collection, waste management, or septic service	55	\$1,237,200
A traveling nurse agency or other business whose employees provide temporary or contract nursing services to or on behalf of an eligible covered employer during the eligible period	4	\$222,000
A vocational rehabilitation service provider	1	\$8,000
A wholesale distributor making deliveries to a grocery store, pharmacy or eligible essential retailer	85	\$2,692,800
Fiscal agent for the employers of the independent direct support providers	1	\$4,426,000
Therapy Provider contracted by a home health agency (as defined in 33 V.S.A. _ 6302) or a nursing home (as defined in 33 V.S.A. _ 7102) during the eligible period	4	145,600

**Applicants may select more than one Covered Employer type. For those applicants that selected more than one Covered Employer type, their data is included in multiple categories.

Outreach and Marketing

- Marketing the program:
 - Program website
 - Communication with trade organizations and licensed employer lists
 - Press conferences
 - Social media
 - Direct outreach to large retail employers
- Communication with employers and employees
 - Dedicated email addresses

Application Process and Program Performance

- Process
 - Applications were submitted by employers through the Vermont Economic Recovery Grants portal
 - Review procedures ensured applications were reviewed in a fair, appropriate, and consistent manner on a first-come, first-served basis
 - Employer certifications, grant award letters, notices, and spending reports were transmitted through the online portal
 - DFR mailed and/or emailed applications to each identified former employee and processed all returned applications
- Performance
 - 73% of approved applicants indicated the application was easy or very easy to use
 - 90% of payments were issued within 10 business days
 - Over 99.8% of payments to employers were accurate

Observations

- Issues impacting employers
 - Understanding eligibility criteria
 - First-come, first-served process
 - Processing payroll tax
- Issues impacting employees
 - Only employer could apply and certify eligibility
 - Some felt they should have met the criteria but were not eligible
- Issues associated with former employee process
 - Timing issues
 - Incomplete and inaccurate contact information