pennsylvania
DEPARTMENT OF COMMUNITY & ECONOMIC DEVELOPMENT

COVID-19 PA HAZARD PAY GRANT

Program Guidelines | July 2020

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Section I – Statement of Purpose

The **COVID-19 PA Hazard Pay Grant Program** (the "program") was established to help employers provide hazard pay to employees in life-sustaining occupations during the coronavirus (COVID-19) pandemic. Hazard pay is intended to keep front-line employees working in sectors that are vital to every Pennsylvanians' existence. The program will help employers provide hazard pay for their employees to retain current employees. This reimbursement-based grant is for employers who will be offering hazard pay over the eligible program period.

The Act of May 29, 2020 (Act 2A of 2020), known as the COVID-19 Emergency Supplement to the General Appropriation Act of 2019, appropriated $50,000,000 from the COVID-19 Response Restricted Account to DCED to be used for COVID-19 hazard pay. The program is administered by the Department of Community and Economic Development ("DCED").

Section II – Eligibility

A. Eligible Applicants

The following applicants are eligible to apply for grants:

1. **Businesses –** a corporation, partnership, sole proprietorship, limited liability company, business trust, or other commercial entity approved by DCED.

2. **Healthcare Non-profits –** 501(c)3 non-profit organizations that provide healthcare services. This shall include a non-profit organization that provides education, development and support for frontline healthcare workers. A non-profit organization applying on behalf of employees are eligible for grant monies to healthcare workers directly employed by qualified participants in state Medicaid long term supports and services programs.

3. **Public Transportation Agency –** A public transit agency, including but not limited to an airport authority, public airport, port authority, or similar public entity, created through the laws of this commonwealth, charged with the provision of transportation services to the traveling public, that owns and maintains or is authorized to own and maintain a physical plant, including rolling stock, stations, shelters, hangars, runways, maintenance and support facilities. The term shall include municipalities that operate a mass transportation system.

4. **A Certified Economic Development Organization ("CEDO") –** a nonprofit corporation or association whose purpose is the enhancement of economic conditions in their community. A CEDO may apply on behalf of a group of businesses, healthcare non-profits and/or public transportation agencies in their community.

Businesses, Healthcare Non-profits and Public Transportation Agencies are collectively referred to as "Employers" for purposes of these guidelines.

B. Eligible Industries

Employers must be located in Pennsylvania and operate in Pennsylvania within one of the following eligible industries:

1. **Healthcare and Social Assistance**
   - Nursing and Residential Care Facilities
     - Nursing Care Facilities
     - Residential Care for persons with physical disabilities
     - Mental Health and Substance Abuse Facilities
     - Community Care Facilities for the Elderly
     - Other Residential Care Facilities
   - Hospitals
     - General Medical and Surgical Hospitals
     - Psychiatric and Substance Abuse Hospitals
     - Specialty Hospitals
   - Ambulatory Health Care Services
     - Offices of Physicians
     - Offices of Dentists
     - Offices of Other Health Practitioners
     - Outpatient Care Centers
     - Medical and Diagnostic Laboratories
     - Home Health Care Services
     - Other Ambulatory Health Care Services
2. **Food Manufacturing**
   - Animal Food Manufacturing
   - Animal Slaughtering and Processing
   - Dairy Product Manufacturing
   - Fruit and Vegetable Preserving and Specialty Food Manufacturing
   - Bakers and Tortilla Manufacturing
   - Other Food Manufacturing
   - Grain and Oilseed Milling
   - Sugar and Confectionery Product Manufacturing
   - Seafood Product Preparation and Packaging
3. **Food Retail Facilities**
   - Grocery and Convenience Stores
   - Specialty Food Stores

4. **Healthcare and Social Assistance**
   - Social Assistance
     - Child Day Care Services
     - Individual and Family Services
     - Community Food and Housing, and Emergency and Other Relief Services
     - Vocational Rehabilitation Services
5. **Janitorial Services to Buildings and Dwellings**
6. **Transit and Ground Passenger Transportation**
   - Urban Transit Systems
   - Interurban and Rural Bus Transportation
   - Generalized Freight Trucking
   - Specialized Freight Trucking
7. **Security Services for eligible industries listed above**

Applications will be prioritized by industry in the general order listed above. This prioritization is in accordance with the Worker Exposure Risk to COVID-19 released by the Occupational Safety and Health Administration. This guidance defines exposure to COVID-19 in four categories, further defined below.

C. Eligible Use of Funds

Hazard Pay – Grant funds may be used for hazard pay (as defined below) for direct, full-time and part-time employees earning less than $18/hour, excluding fringe benefits and overtime. Funds may only be used to pay hazard pay for eligible employees for the 10-week period from August 16, 2020 through October 24, 2020. Hazard pay means additional pay for performing hazardous duty or work involving physical hardship, in each case that is related to COVID-19.

Employees must be employed in Pennsylvania by an eligible Employer operating within an eligible industry. The employees must be 'front-line' employees facing the hazards of COVID-19 and have continued working through the Governor's March 19, 2020 Business Closure Order as a life sustaining business or a business that received a business waiver. Front-line employees are all employees deemed necessary by the employer to report to work during the COVID-19 pandemic for life-sustaining eligible industries. Employees that are teleworking from home are not eligible for hazard pay under the program.

Administrative Costs – A CEDO applying on behalf of Employers may request an administrative fee, in addition to the hazard pay funds awarded to such Employers, not to exceed 5% of the grant total.
The 5% administrative cost for a CEDO shall not exceed $125,000. Employers applying directly to DCED for funding are not eligible for administrative costs.

Section III – Grant

Applicants may apply for up to $1,200 per eligible full-time equivalent (FTE) employee. The hazard pay must be paid to the eligible employee over the 10-week period of August 16, 2020 through October 24, 2020 as a $3/hour hazard pay increase to their regular pay rate. This is in addition to any eligible overtime and other benefits, including employer paid hazard pay, and may not supplant any current compensation, nor may it supplant any scheduled increases to current compensation. Any hazard pay earned must be paid to the employee according to their regular pay schedule, and may not be withheld and paid in a later lump sum.

To determine the maximum grant request, the employer should calculate the number of full-time equivalent employees over the 10 week period for hazard pay. The quotient is obtained by dividing the total number of hours for which employees are compensated for employment over the projected 10 week period by 400. The hazard pay cannot be for any hours worked over 40 hours in a week. The number of full-time equivalent employees can then be multiplied by $1,200 to determine the maximum grant request. The online application has a downloadable form to help calculate the maximum grant request.

Employers may apply for a grant to provide hazard pay for up to 500 eligible full-time equivalent employees per location ($600,000 maximum grant per location). No Employer may receive more than $3,000,000 of the funding under the COVID-19 Hazard Pay Grant Program. Applications from a CEDO or a healthcare non-profit organization representing frontline healthcare workers may exceed $3,000,000.

Employers with multiple locations may submit one Single Application for Assistance for all of the locations.

Section IV – Program Requirements

A. Employer Requirements

Applicants receiving grant funds under this program must certify compliance under penalty of perjury and fines pursuant to 18 Pa C.S. § 4904 (relating to unsworn falsification to authorities) to all of the below requirements:

- Employers pay their employees at least federal minimum wage of $7.25/hour.
- Employers are paying the employer share of the Federal Insurance Contributions Act (FICA) for the hazard pay.
- Employers follow Center for Disease Control guidelines, Department of Health regulations and guidance for reopening under the Governor's Phased Reopening Plan to protect front-line employees from contracting COVID-19.
- Employers are in compliance with all relevant laws, orders, and regulations during the period of the COVID-19 disaster emergency under the Governor's proclamation dated March 6, 2020, and any and all subsequent renewals. The foregoing includes, but is not limited to, orders by the Governor, Secretary of Health, or other commonwealth officials empowered to act during the emergency. Any noncompliant businesses will be ineligible for funding under this program and may be required to return all, or a portion, of the funds awarded under the program.

Applicants must also covenant and agree that they will continue to remain in compliance with all of the Employer requirements above during the grant activity period.

B. Conflict of Interest Provision

An officer, director, or employee of an applicant who is a party to or has a private interest in a project shall disclose the nature and extent of the interest to the governing body of the applicant, and may not vote on action of the applicant concerning the project, nor participate in the deliberations of the applicant concerning the project.

C. Nondiscrimination

No assistance shall be awarded to an Employer/Applicant under this program unless the Employer/Applicant certifies that the Employer/Applicant shall not discriminate against any employee or against any person seeking employment by reason of race, gender, creed, color, sexual orientation, gender identity or expression, or in violation of the Pennsylvania Human Relations Act, which prohibits discrimination on the basis of race, color, religious creed, ancestry, age, sex, national origin, handicap or disability, or in violation of any applicable federal laws. All subgrants and all contracts for work to be paid with grant funds must contain the commonwealth's official nondiscrimination clause.

D. Project Records

The Employer/Applicant must maintain full and accurate records with respect to the project and must ensure adequate control over related parties in the project. The program office requires access to such records, as well as the ability to inspect all work, pay records, time statements, invoices, materials, and other relevant records at reasonable times and places. Upon request of the program office, the applicant must furnish all data, reports, contracts, documents, and other information relevant to the project.

E. Compliance Requirements

Fund payments are subject to the following requirements in the Uniform Guidance (2 C.F.R. Part 200): 2 C.F.R. § 200.303 regarding internal controls, 2 C.F.R. §§ 200.330 through 200.332 regarding subrecipient monitoring and management, and subpart F regarding audit requirements.

F. Financial Audit

A Recipient or Sub-Recipient that expends $750,000 or more in federal awards during its fiscal year is required to provide the appropriate single or Program-Specific Audit in accordance with the provisions outlined in 2 CFR § 200.501.

G. Certification of Hazard Pay Expenses

In lieu of a formal project audit and prior to closeout of the agreement, the grantee shall be required to complete a self-certified spreadsheet listing the employees name, pay date, pay period covered, regular pay, government funded hazard pay, and description of duties related to hazard pay.

H. Monitoring

All Employers receiving grant funds under this grant program are subject to monitoring to confirm payment of hazard pay to employees as listed in the self-certified spreadsheet submitted for reimbursement.

I. Guidelines Provisions

The program guidelines may be modified or waived by the DCED unless otherwise required by law.

Section V – Application Process

To apply for funding, the applicant must submit the on-line Department of Community and Economic Development Electronic Single Application for Assistance located at www.esa.dced.state.pa.us. In addition to the Electronic Single Application for Assistance, the applicant should provide the following items when applying for a grant. A downloadable form is available on the online application and should be downloaded, filled out, and attached electronically to the ESA submission:

1. A project narrative including the following information:
    a. Industry category from Section II.B.
    b. A brief description of the life-sustaining services the business provides to the public
    c. Where the business is located and operated in the commonwealth
    d. Impact of COVID-19 on the business, including:
        i. Changes to operations and hours, including how the business has adjusted operations to meet CDC and PA Department of Health safety requirements regarding COVID-19 and limit staff contact where possible with the public
        ii. Number of staff not working due to testing positive for COVID-19, caring for a family member with COVID-19, or staff not working due to lack of childcare
        iii. Whether the business is currently paying hazard pay
2. Amount of the grant request
3. A brief description for how the grant funds will be used to increase hazard pay, including:
    a. Number of frontline full-time equivalent employees eligible for hazard pay
    b. Job types of the frontline employees eligible for hazard pay under the program, including why these jobs must remain “front-line” any why continued contact with the public is necessary
    c. Hourly rate of employees, excluding fringe benefits

A CEDO applying on behalf of multiple Employers must submit a separate form for each employer.

The COVID-19 PA Hazard Pay Grant Program is a federally funded program. Applicants will need a Data Universal Number System (DUNS) number in order to apply for funding and be registered with the System for Award Management (SAM) in order to receive funding under the program.

Applications must be complete to be considered for funding. Incomplete applications will not be considered for funding and will be withdrawn.

A. Evaluation Criteria

All applications will be evaluated using the following criteria:

- Risk of exposure by industry
- Location and prevalence of COVID-19
- Average hourly wage paid by employer

The COVID-19 PA Hazard Pay Grant Program aims to provide hazard pay to eligible employees that have responded directly to or faced increased risk to COVID-19. As such, applications for the program will be prioritized by industry in accordance with the Worker Exposure Risk to COVID-19 released by the Occupational Safety and Health Administration. This guidance defines exposure to COVID-19 in four categories:

- Very High – Jobs with a high potential exposure to known or suspected sources of COVID-19 during specific medical, postmortem, or laboratory procedures. Workers performing aerosol-generating procedures, or collecting/handling specimens from potentially infectious patients.
- High – Jobs with a high potential for exposure to known or suspected sources of COVID-19. Healthcare delivery and support, medical transport and other workers exposed to known or suspected COVID-19 patients.
- Medium – Jobs that require frequent/close contact with people who may be infected, but who are not known or suspected patients. This includes: Those who may have contact with the general public, including individuals returning from locations with widespread COVID-19 transmission, or who do not have the ability to social distance at their place of employment.
- Low – Jobs that do not require contact with people known to be, or suspected of being, infected. Workers in this category have minimal occupational contact with the public or other co-workers.

B. Accessing Funds

Applications will be received between July 16, 2020 and July 31, 2020. Following approval of an application by DCED, a grant agreement will be electronically issued by DCED to the applicant explaining the terms and conditions of the grant along with a Federal Funding Accountability & Transparency Act (FFATA) Form. The grant agreement must be electronically signed and returned to DCED within 30 days or the offer may be withdrawn by DCED. The FFATA Form must be returned with signed grant agreement or the grant contract will not be processed.

One fully-executed copy of the grant agreement will be returned to the applicant with a payment request form and instructions for requesting payment. Applicants may submit one payment request at the end of the eligible period seeking reimbursement for actual hazard pay expenditures by October 31, 2020. Support documentation will include a signed hazard pay report that includes the employee name, pay date, pay period covered, regular pay, hazard pay and description of duties related to hazard pay along with supporting payroll showing proof of payment.

C. Program Inquiries

Program inquiries should be directed to:

Telephone: (717) 787-6245
E-mail: ra-dcedcbf@pa.gov