

Premium Pay for Workforce Recruitment and
Retention Grant Program
Program Guidance

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<h2>Version History</h2>	
V1	
V2 – 5/12/2022	Aligned title and description on tabs for “Summary Report of FTEs” to align with description; clarified list of eligible job classification in Section 3.c.iii.
V3—6/1/2022	Clarified average wage figures and added link to the >30 towns in Burlington/S. Burlington metro in in Section 3.c.
V4 – 7/12/2022	Added Section 12, Potential Premium Impact on Public Benefits for Eligible Employees. Expanded explanation in Section 4.
V5 – 1/27/2023	Added three eligible employer types for round 2 and updated references to timing. Removed references to the public health emergency’s impact on Medicaid eligibility now that the federal government has removed the dependence of Medicaid redeterminations on the public health emergency.

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Premium Pay for Workforce Recruitment and Retention Grant Program Guidance

This document provides program guidance to applicants for the Premium Pay for Workforce Recruitment and Retention Grant Program.

Key application components and supporting materials, such as the Summary Report of FTEs template and links to Town Hall Webinars, will be posted at <https://humanservices.vermont.gov/recruitment-and-retention>

If you still have a question after reviewing this document, you may submit a question in the program's [Question Submission Form](#).

Program Guidance

1. Program Description

The Agency of Human Services (AHS) is issuing this grant opportunity per Act 83 of 2022 to certain health care and social services employers. The Premium Pay for Workforce Recruitment and Retention Grant Program (hereafter called “Program”) aims to mitigate the significant negative impacts health care and human services employers have sustained throughout the COVID-19 public health emergency by providing Premium Pay to essential employees. The Program allows Eligible Employers to apply to receive \$2,000 per full-time equivalent employee (FTE) to distribute Premium Pay to Eligible Employees who commit to continuing employment with the Eligible Employer for at least one calendar quarter following receipt of the payment. Grants will be awarded through an application process and funds will be distributed following the close of the application period.

2. Eligible Employers

Only Eligible Employers and ARIS Solutions, the fiscal agent for the employers of the Independent Direct Support Providers, may apply for a grant award to be distributed to Eligible Employees.

The first grantmaking round, in spring 2022, defined an Eligible Employer as an entity that employs one or more individuals in Vermont in relation to its operation of one of the following:

- a. An assisted living residence as defined in 33 V.S.A. §7102,
- b. A nursing home as defined in 33 V.S.A. §7102,
- c. A residential care home as defined in 33 V.S.A. §7102,
- d. A home health agency as defined in 33 V.S.A. §6302,
- e. An agency designated to provide mental health or developmental services, or both, pursuant to 18 V.S.A. chapter 207 or an agency with which the Commissioner of Mental Health or of Disabilities, Aging, and Independent

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- Living, or both, has contracted to provide specialized services pursuant to 18 V.S.A. §8912,
- f. A substance use treatment provider in the Department of Health's preferred provider network,
 - g. A recovery center,
 - h. An adult day service provider,
 - i. An area agency on aging,
 - j. A program licensed by the Department for Children and Families as a residential treatment program

ARIS Solutions had the authority to apply for a grant in the same manner as an Eligible Employer and to disburse funding to eligible Independent Direct Support Providers as defined in 21 V.S.A. §1631.

The second round of funding opened in late January 2023, expanding to three additional employer types:

- k. A primary care practice¹;
- l. A dentist's office or a dental facility;
- m. A therapeutic community residence as defined in 33 V.S.A. §7102.

For the second round, employers must have a demonstrated need for a grant. Employers from the first ten eligible provider groups are allowed to apply for the second round of funding if they did not receive a grant during the first round.

If an Eligible Employer has more than one work site location or branch office and has one Tax Identification Number (TIN), it may only submit one Program application using that TIN and should include all sites or branches.

3. Eligible Employees

Eligible Employers that receive grant awards may only disburse funding to Eligible Employees. In order to receive Premium Pay funded by this Program, Eligible Employees must a) meet eligible worker requirements and b) perform essential work, and c) Premium Pay must respond to Eligible Employees performing essential work during the COVID-19 public health emergency.

¹ Per the Area Health Education Centers Program, a Primary Care Practice is defined as an "office or clinic which offers general primary care to adults and/or children, an ongoing relationship between a primary care practitioner (PCP) and the patient, comprehensive care, continuity of care, and coordination of care in family medicine, general internal medicine, general obstetrics-gynecology, or general pediatric. Site may include patient's home for an 'all home care' primary care practitioner." See: http://contentmanager.med.uvm.edu/docs/vermont_primary_care_practitioner_workforce_2018_snapshot_f3_19/ahec-documents/vermont_primary_care_practitioner_workforce_2018_snapshot_f3_19.pdf?sfvrsn=2

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- a. Eligible Employees are workers needed to **maintain continuity of operations of essential critical infrastructure** sections including health care, emergency response, behavioral health work, medical testing and diagnostics, home- and community-based health care or assistance with activities of daily living, social services work, public health work, work requiring physical interaction with patients, and other sectors as described in federal guidance.²
- b. Eligible Employees **perform essential work**. Essential work is work that:
 - i. Is not performed while teleworking from a residence, and
 - ii. Involves either
 - Regular, in-person interactions with patients, the public or coworkers of the individual that is performing the work, OR
 - Regular physical handling of items that were handled by, or are to be handled by, patients, the public, or coworkers of the individual that is performing the work.
- c. Premium Pay prioritizes low- and moderate-income workers and **responds to Eligible Employees performing essential work during the COVID-19 public health emergency**. For the purposes of this section, the COVID-19 public health emergency was declared pursuant to the National Emergency Act and is defined by [Presidential Proclamation](#). The public health emergency was extended beyond March 1, 2022 and does not have an established end date. Grant awardees should continue to monitor the status of the Presidential Proclamation to ensure premium pay is only disbursed for work performed during the COVID-19 public health emergency. Eligible Employees must meet at least one of the following criteria:
 - i. The Eligible Employee’s total wages and remuneration, including the Premium Pay, is less than or equal to 150 percent of the greater of such Eligible Employee’s residing state’s or county’s average annual wage for all occupations as defined by the Bureau of Labor Statistics’ Occupational Employment and Wage Statistics³; OR

² Essential workers is defined in Federal Register, Vol. 87, No. 18, Rules and Regulations. January 27, 2022 (p. 4446).

³ Bureau of Labor Statistics’ Occupational Employment and Wage Statistics data is located online at: <https://www.bls.gov/oes/tables.htm>. The table below is expected to be the latest data until March 31, 2023, but it is the responsibility of the grant award recipient to ensure they are using the most recent data. To see the breakout of Vermont towns, visit https://www.bls.gov/oes/2021/may/msa_def.htm#V

Annual Mean Wage (for illustrative purposes only, please use most recent data from Bureau of Labor Statistics website)	Burl/S. Burl Metro (>30 towns)	Statewide (all other towns)
150% of Mean Wage for All Occupations (May 2021)	\$88,185	\$83,175

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- ii. The Eligible Employee is not exempt from the Fair Labor Standards Act overtime provisions (29 U.S.C. 207); OR
- iii. The Eligible Employee meets employee classification criteria because they provide direct care and is a:
 - Nurse (i.e. LPN, RN, NP, APRN, or CNM);
 - Master's level licensed or non-licensed clinician (i.e. MSW, psychologist, marriage and family therapist, mental health counselor, alcohol and drug counselor);
 - Physician Assistant;
 - Psychiatrist;
 - Physical, occupational, or speech therapist;
 - 24/7 residential direct service staff; or
 - Crisis worker.

An Example

Main Street Care has four employees that meet Test 1 because their work is needed to maintain continuity of operations at the Main Street Care, an organization that provides assistance with activities of daily living. Main Street Care has four employees who pass Test 2 by virtue of regularly working in-person with each other and/or patients. Employee A is not exempt from overtime provisions and thus passes Test 3. Employee B is a manager who is exempt from overtime provisions but still passes Test 3 because her salary and remuneration (including the Premium Pay) is less than the 150% threshold. Employee C makes \$90,000 and is exempt from overtime but still passes Test 3 because she is an RN manager and thus meets employment classification criteria specified above. Employee D is a manager who is exempt from overtime, has income over threshold, and does not have a classification described above; she does not pass Test 3.

4. Premium Pay

Premium Pay is defined as an amount of up to \$13 per hour, in addition to wage or remuneration the Eligible Employee otherwise receives, for all work performed by the Eligible Employee during the COVID-19 public health emergency. Such amount may not exceed \$25,000 with respect to any single Eligible Employee. Eligible Employers that receive grant awards have discretion with respect to the way in which Premium Pay is awarded to Eligible Employees (e.g. biweekly, monthly, quarterly, lump sum); however, the full amount of the grant award must be disbursed within 12 months following receipt of the grant funds.

In addition, the employer should make this compensation uniform for all employees performing the identical tasks/duties. Providing different levels of compensation to workers performing the same duties would go against the federal government's goal

of properly compensating employees for any additional hazard they experience on the job.

5. Eligible Expenditures

Grant awards must be used by Eligible Employers to provide Premium Pay to Eligible Employees as defined in Section 3 after eligible work is completed. Eligible Employers that receive grant awards may provide Premium Pay for work performed between April 1, 2022 through the end of the COVID-19 public health emergency or June 30, 2023, whichever is earlier.

Only Eligible Employees who commit to continuing employment with the Eligible Employer for at least one calendar quarter following receipt of the payment are eligible to receive Premium Pay. Both current and prospective employees may meet this requirement; however, it is important to note that Premium Pay may only be provided to those Eligible Employees after work is performed.

Eligible Employers that received a grant award in the first round had the option to receive grant funding from the State of Vermont in a single lump sum payment or as four quarterly payments. If the entity chose to receive the total award amount as a single lump sum payment, then they must disburse all funds to Eligible Employees within 90 days of receipt of the funding and complete a reconciliation report. If the entity chose to receive the total award amount as four quarterly payments, then they must disburse all funds to Eligible Employees within twelve months and complete quarterly reconciliation reports. One of these payment options must be selected on the grant application.

Eligible Employers that receive a grant award in the second round will receive the total award amount as a single lump sum payment, then they must disburse all funds to Eligible Employees within 90 days of receipt of the funding and complete a reconciliation report.

Table 1. First Round Grant Applicant Options for Receiving Grant Funding

Option	Allowable Disbursement Period	Reconciliation Reporting
Single Lump Sum Payment	Ninety days from date of grant payment	One report due 15 days after the 90 days
Up to four Quarterly Payments	Twelve months, up to 6/30/23	Up to four reports due on 10/15/22, 1/15/23, 4/15/23, and (if needed) 7/15/23

6. Calculating the Number of FTEs

Eligible Employer applicants must use the Summary Report of FTEs to calculate the number of Full-time Equivalents (FTEs) that will be used to determine their organization's total award. Please note that this calculation is distinct from the decision of when and how to provide premium pay to individual Eligible Employees.

The Summary Report of FTEs is an excel spreadsheet that includes calculations for full-time employees, part-time employees, and budgeted vacant positions (including those filled by contract staff) for the lookback period of either January to March 2022 (for first round applicants) or October to December 2022 (for second round applicants).

To streamline the application process to align with Eligible Employer payroll reporting, the State of Vermont allows Eligible Employers to choose to report on the full 13-week quarter OR on a 12-week period within the quarter. For example, companies that use biweekly payroll systems may have an easier time reporting on an even number of weeks. Once complete, applicants should upload their filled-out report as directed in the application.

Eligible Employers should include:

- All full-time and part-time employees who worked during the lookback period to provide or support the provision of services for the Eligible Employer types in Section 2.
- The budgeted hours for vacant positions (including contract staff) for the lookback period that provide or support the provision of services for the Eligible Employer types in Section 2.
- Where applicable, Designated Agencies and Specialized Services Agencies should include each Shared Living Provider contracted by the applicant. For the purposes of the FTE calculation only, each Shared Living Provider should be included in the "Full-time employee" table. Independent Direct Support Providers paid by ARIS Solutions should not be included in the calculation.

Eligible Employers should not include:

- Full-time or part-time employees of the organization that did not provide or support the provision of services included in Section 2.
- Full-time or part-time employees of the organization that did not provide or support the provision of services in Section 2 in Vermont or at a location that predominantly served Vermonters.

7. Available Program Amount

\$60,000,000.00 in funding is available for the Premium Pay for Workforce Recruitment and Retention Grant Program. The amount of a grant provided to an

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Eligible Employer shall equal \$2,000 multiplied by the number of FTEs, as described in Section 6.

8. Application Period

Applications must be submitted during the application period which began in May 2022 for the first round and is anticipated to be February 6, 2023 through February 27, 2023 for the second round.

9. Method of Application Submission

Applications must be submitted through the online portal by 11:59 PM Eastern Time on the last day of the application period.

10. Distributions

Grant award payments will be made to Eligible Employers that submit complete and accurate applications during the Application Period. Initial payments will be made approximately two weeks following grant approval.

Grant award payments will be made in a single lump sum payment or quarterly, as described in Section 5. Eligible Employers that receive quarterly grant awards will be required to submit quarterly reports with supporting documentation of incurred, eligible expenses. If the Eligible Employer elects to receive the funding quarterly, the first payment will be one-third of the total grant award. The 2nd quarter and 3rd quarter payments will be for one-third of the total grant award each and will both be reconciled based on the previous quarterly report (i.e. to account for any excess cash on hand). The final payment will be made after the grant year for the remaining grant amount, if applicable, based on the quarterly reconciliation reports. Any unused funds identified in the final reconciliation must be returned to the State of Vermont.

11. Application Content and Audit Requirements

All applicants must fully complete and submit the application through the online portal by the submission date. A complete application includes:

- Responses to all required fields, including but not limited to certifications
- Data from the applicant organization's W-9
- Document uploads
 - Form W-9
 - The form and detailed instructions are [available from the IRS](#).
 - A physical signature and date are required.
 - The form must be signed and dated within the last 6 months.
 - A Summary Report of FTEs, using the required template

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AHS may request an applicant to submit detailed backup, including but not limited to payroll reports to support the number of FTEs entered in the application by the applicant. Detailed backup should only be submitted upon request from the State of Vermont.

The Program is funded with federal dollars and is subject to the requirements of Single Audit found at 2 CFR § 200 Subpart F. The Subrecipient will complete the Subrecipient Annual Report annually within 45 days after its fiscal year end, informing the State of Vermont whether or not a Single Audit is required for the prior fiscal year. If a Single Audit is required, the Subrecipient will submit a copy of the audit report to the granting Party within 9 months. If a single audit is not required, only the Subrecipient Annual Report is required. For fiscal years ending before December 25, 2015, a Single Audit is required if the subrecipient expends \$500,000 or more in Federal assistance during its fiscal year and must be conducted in accordance with OMB Circular A133. For fiscal years ending on or after December 25, 2015, a Single Audit is required if the subrecipient expends \$750,000 or more in Federal assistance during its fiscal year and must be conducted in accordance with 2 CFR Chapter I, Chapter II, Part 200, Subpart F. The Subrecipient Annual Report is required to be submitted within 45 days, whether or not a Single Audit is required.

More information is available on the [Common Subrecipient Annual Report Questions page](#).

12. Potential Premium Impact on Public Benefits for Eligible Employees

Federal law determines how additional premium pay payments are treated in determining program eligibility for many public benefit programs, including Vermont Medicaid.

Per federal law, premium pay normally is considered income that can impact Medicaid eligibility. For persons who get Medicaid on the basis of being aged, blind or disabled, the payment normally also counts as a resource in the month after receipt.

Many programs administered by the Vermont Department of Disabilities, Aging and Independent Living (DAIL), Department of Mental Health (DMH), and Vermont Department of Health Division of Substance Use Programs (formerly ADAP) require participants to maintain Medicaid eligibility. Premium pay will also be counted as income for the purposes of financial assistance for qualified health plans.

For the following public benefits administered by the Department for Children and Families (DCF), state law governs income and resource eligibility and hazard pay provided through this Program may be excluded:

- General Assistance
- Fuel Assistance

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- Essential Person
- Reach Up (and Reach Up related programs – Reach First, Reach Ahead, and the Postsecondary Education Program)
- Child Care Financial Assistance Program

For 3SquaresVT, federal regulations would allow a one-time lump sum payment to be excluded as income, but it would count as a resource in the month received for households subject to the resource test.

If an employee does not want to receive premium pay, they have the right to turn it down.

For more information, see the [Frequently Asked Questions on the Impact of Premium Pay on Eligibility for Public Benefits](#).

13. Conflict-of-Interest Policy

Eligible Employers that receive a grant award must maintain a conflict-of-interest policy consistent with 2 CFR 200.318(c) that is applicable to all activities funded with the Premium Pay for Workforce Recruitment and Retention Grant Program.

14. Contact Information

Please submit questions or inquiries through the online submission form located in the program's [Question Submission Form](#).