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## **DCED Secretary Responds to RCPA Letter re: Hazard Pay Grant Program Awards**

On Tuesday, August 18, RCPA sent a [letter](#) to the Department of Community and Economic Development (DCED) Secretary Dennis Davin regarding the \$50 million Hazard Pay grant program. Today, RCPA received a [response letter](#) from Secretary Davin.

Additionally, RCPA members have notified our staff that they have been receiving emails from DCED about the Hazard Pay Award selection process. The email members have been receiving is as follows:

“You have been listed as a contact for a COVID-19 PA Hazard Pay Grant Program application. Unfortunately, we were unable to act favorably on your request for assistance. A link to the press release can be found [here](#).

As expected, the COVID-19 PA Hazard Pay program was in incredibly high demand since day one. Employers across Pennsylvania demonstrated their commitment to their workforce by contacting DCED in droves to request help in providing their employees with hazard pay. More than 10,000 applications, totaling nearly \$900 million, were submitted in the two-week application period. The program was extremely competitive. While not all applications submitted for the program were eligible under the public program guidelines, after DCED staff diligently reviewed all the applications, more than 5,000 eligible applications requesting more than \$300 million from the eligible industries remained.

Simply put, this extremely competitive program needed a structured priority list to ensure that the lowest-paying, most high-risk and public-facing jobs would take precedent during the application review process. The application review team at DCED processed over ten thousand applications after the two-week application period. The team undertook a rigorous, expeditious, and fair review process. To make an equitable decision on funding of these limited dollars for the overwhelming demand and to ensure that the funds are distributed in a way that reaches each industry (healthcare, food manufacturing, food retail, social assistance, janitorial services, transportation, and security) identified in the guidelines, additional factors had to be taken into consideration for final determination of awards.

We first looked at the amount of dollars requested within each industry category, and pro-rated a percent of the \$50 million accordingly, to each industry, according to the demand. In addition to risk level in accordance with the OSHA Worker Exposure Risk, other factors, including wage level of industries and occupations, and availability of other federal funding relief opportunities were taken into consideration. Difficult decisions needed to be made, but we appreciate the efforts of ALL Pennsylvanians who put themselves at risk each day to ensure their communities can access critical goods and services.

Ultimately, 639 employers were awarded \$50 million in allocated funding, supporting a \$3 increase in pay for 41,587 full-time equivalent employees across the 7 eligible industries. The industry breakdown of the \$50 million is as follows (pro-rated based on eligible applications):

1. Healthcare – 63.5% - \$31.75 million
2. Food Manufacturing – 7.2% - \$3.6 million
3. Food Retail – 8.2% - \$4.09 million
4. Social Assistance – 12.6% - \$6.3 million
5. Janitorial – 3.7% - \$1.84 million
6. Transportation – 1.2% - \$592,000
7. Security – 3.6% - \$1.8 million

Sincerely,  
“DCED”

In response to the overwhelming need for funds, State Rep. Jason Ortity, R – Allegheny/Washington, has introduced legislation to provide additional hazard pay funding. His legislation, [House Bill 2538](#), would create a \$500 million “Financial Assistance for Front Line Workers Program” to support firefighters and EMS personnel, police officers, healthcare and grocery store workers, and other frontline employees.

Questions, contact [Jack Phillips](#).