



COVID-19 Provider Bonus Pay Frequently Asked Questions (FAQ) January 2021

The Department of Homelessness and Supportive Housing (HSH) has received \$10.1 million in Proposition C (Our City/Our Homes) funding to provide a one-time COVID-19 Provider Bonus Pay to eligible nonprofit employees who are providing HSH services and housing during the pandemic. This month, HSH plans to begin implementing the one-time bonus pay for lower-wage nonprofit employees who are working onsite during the COVID-19 pandemic.

The funding provides greater equity across the HSH portfolio with nonprofit organizations funded to work in COVID-19 response sites (e.g., COVID-19 response shelters, Safe Sleeping sites, and Shelter-in-Place hotels), which already received additional funding to provide a higher wage level to front-line workers.

Please carefully review the following document to determine how to utilize the funding.

1. How will HSH add funding into agreements?

Each Grantee's assigned HSH Contract Analyst will provide an allocation amount and incorporate the funding into the relevant agreement(s) as quickly as possible. If the agreement term allows, funding will be added through a budget modification for immediate invoicing.

If the agreement's not-to-exceed amount (including contingency) cannot accommodate the additional funding, the Contract Analyst will prepare an amendment. In rarer instances, the Contract Analyst may create a new time-limited agreement for the funding, in recognition of the difficulty in combining local and federal funding into a single contract.

In all instances, Grantees will not be asked to allocate the funding within their existing salary budgets or resubmit a salary budget. Instead, Grantees will be provided a separate and single line-item amount to spend down on allowable expenses. The amount will then be placed in CARBON as a time-limited record.

2. Why isn't HSH requiring Grantees to allocate the funding within existing salary budgets?

In order to quickly make these funds available, and because these funds must be tracked separately, HSH is not requiring that they be allocated within existing personnel budgets.

3. How did HSH calculate the funding amounts?

The allocation was calculated based on each Grantee's approved Appendix B, Budget for the number of full-time equivalents (FTE) who provide front-line services and earn less than \$25/hour. The bonus is approximately an additional \$5/hour and covers 12 months of cost. The allocation also includes an additional 20 percent in addition to this FTE calculation to adjust for each Grantee's internal pay structure or address internal equity issues.

4. How should Grantees use these funds/What are the eligible uses?

HSH received feedback from Grantees that much of its nonprofit workforce, particularly lower wage workers must be on-site and interact with clients to perform their job duties. This funding is intended to provide one-time pay bonus for these front-line workers. These funds are not intended for managerial-level, administrative/indirect costs, or staff that can work remotely. These funds are not intended to hire new staff or to purchase equipment. However, HSH is providing Grantees flexibility to utilize these funds as best meets the needs and equity goals of each organization.

5. Which Grantees are eligible for this funding?

Current HSH Grantees that continued to provide services during the pandemic are eligible for this funding. Closed programs are ineligible. Additionally, Grantees operating new programs and/or new agreements that were negotiated in response to COVID-19 already included higher wages, on average, than the existing Homelessness Response System and have not been included in this allocation. The eligibility of these funds was determined on a similar principle to Cost of Doing Business (CODB), which is not applied to new programs.

6. What documentation will be required when submitting invoices for this funding?

All Grantees must follow the requirements outlined in the Appendix C, Method of Payment of their agreements. These funds are intended for front-line worker pay bonuses so funding should be spent in accordance with that goal. While these funds are not intended for managerial-level, administrative/indirect costs, or staff that can work remotely, HSH is giving Grantees flexibility to provide bonus pay to meet the specific needs of their organization. These increases should be reflected in each organization's payroll or personnel expenditures documentation uploaded into CARBON.

7. Grantees may need to calculate a fringe amount when processing payroll; can Grantees include the fringe portion in the total amount allocated to each position to allocate a base plus fringe that would match the budget amount?

Yes. Grantees have flexibility to apply fringe within the total amount allocated.

8. How long is this funding available?

This funding is one-time in duration. The HSH Contracts team will incorporate this funding as quickly as possible into agreements for Grantee use during Fiscal Year 2020-21. HSH will also allow carry forward unspent funds for this one-time use into the following year.

9. Can the funding be applied to costs incurred at the beginning of the fiscal year?

Yes. Grantees may invoice against payroll costs incurred as of July 1, 2020. These increases should be reflected in each organization's payroll or personnel expenditures documentation uploaded into CARBON. However, Grantees may not back out costs already paid by HSH in order to utilize this money for other purposes.

10. If a Grantee has multiple programs that will receive this funding and one program needs the allocation more than another, can the Grantee request use of the funding in a different program?

Yes. HSH will provide Grantees with their agency's allocation, per program, for bonus pay. If a Grantee wishes to allocate funding to a particular program, they may request to do so by notifying their Contract Analyst within the time frame provided in the allocation letter. If the Grantee does not respond by the deadline, the Contract Analyst will distribute the funds as stated in the funding allocation letter. Once the selection has been made and funds have been added to a particular program, Grantees may not re-allocate to a different program or carry forward unspent funding from one program to another.

11. Is this funding intended to address the Minimum Compensation Ordinance (MCO) or Cost of Doing Business (CODB) increases?

No. This funding is separate from any MCO or CODB increase that may be provided by the City. HSH will be providing a separate update once the Mayor's Office releases additional FY 2020-21 funding for these purposes.