

# Frontline Worker Pay Working Group Overview



July 28, 2021

Presented by: House Research & Senate Counsel, Research, and Fiscal Analysis

# Presentation Outline

- Frontline Worker Pay Working Group establishment & duties
- Background information, State Fiscal Recovery Funds & American Rescue Plan Act
- Minnesota Frontline and Essential Worker frameworks

# Frontline Worker Pay Working Group

- Established in [Laws 2021, First Special Session, Chapter 14](#)
- Duties: The working group must make a recommendation for the disbursement of \$250,000,000 in direct financial support to frontline workers, including but not limited to long-term care workers. In developing its recommendation, the working group must consider factors including a frontline worker's increased financial burden and increased risk of virus exposure due to the nature of their work.

# Draft Legislation

- The working group must submit proposed legislative language implementing its recommendations to the governor, speaker of the house, and senate majority leader by September 6, 2021. For the working group to adopt a recommendation, seven of nine members must vote to approve it.
- If seven of nine members do not approve a single recommendation, then the working group may present not more than three drafts of legislation implementing potential options.

# Source of Funds

- Source of \$250 million not specified in Chapter 14
  - State General Fund
  - ARPA State Fiscal Recovery Funds, total \$2.833 billion
    - \$500 million allocated for immediate COVID response (see [Chapter 12, article 5](#))
    - \$1.183 billion transferred for revenue replacement in general fund
    - \$1.15 billion available by direct appropriation by law
- If State Fiscal Recovery Fund is funding source, certain federal requirements may apply

# ARPA State Fiscal Recovery Fund

The [American Rescue Plan Act, U.S. Treasury rule, and associated guidance](#) limit eligible uses of State Fiscal Recovery Funds:

- To respond to the public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;
- To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers;
- For the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency; and
- To make necessary investments in water, sewer, or broadband infrastructure.

# Essential Workers, Priority

- The [Interim Final Rule](#) from U.S. Treasury provides a non-exclusive, example list of essential workers:
  - “... Such workers include:
    - Staff at nursing homes, hospitals, and home care settings;
    - Workers at farms, food production facilities, grocery stores, and restaurants;
    - Janitors and sanitation workers;
    - Truck drivers, transit staff, and warehouse workers;
    - Public health and safety staff;
    - Childcare workers, educators, and other school staff; and
    - Social service and human services staff.”
- The Interim Final Rule also requires that premium pay programs prioritize low- and moderate-income persons.

# ARPA Definitions

“Essential work means work that:

(1) Is not performed while teleworking from a residence; and

(2) Involves:

(i) Regular in-person interactions with patients, the public, or coworkers of the individual that is performing the work; or

(ii) 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.”

*Source: U.S. Treasury Interim Final Rule*

# ARPA Definitions

“Eligible workers means workers needed to maintain continuity of operations of essential critical infrastructure sectors, including [long list of sectors & types of work].

...

With respect to a State, Territory, or Tribal government, workers in any additional sectors as each Governor of a State or Territory, or each Tribal government, may designate as critical to protect the health and well-being of the residents of their State, Territory, or Tribal government.”

*Source: U.S. Treasury Interim Final Rule*

# ARPA Definitions

“Premium pay means an amount of up to \$13 per hour that is paid to an eligible worker, in addition to wages or remuneration the eligible worker otherwise receives, for all work performed by the eligible worker during the COVID–19 public health emergency. Such amount may not exceed \$25,000 with respect to any single eligible worker. Premium pay will be considered to be in addition to wages or remuneration the eligible worker otherwise receives if, as measured on an hourly rate, the premium pay is:

- (1) With regard to work that the eligible worker previously performed, pay and remuneration equal to the sum of all wages and remuneration previously received plus up to \$13 per hour with no reduction, substitution, offset, or other diminishment of the eligible worker’s previous, current, or prospective wages or remuneration; or
- (2) With regard to work that the eligible worker continues to perform, pay of up to \$13 that is in addition to the eligible worker’s regular rate of wages or remuneration, with no reduction, substitution, offset, or other diminishment of the workers’ current and prospective wages or remuneration.”

*Source: U.S. Treasury Interim Final Rule*

# MN “Frontline” and “Essential Worker” Definitions

- [Guidance](#) for allocating and prioritizing COVID-19 vaccinations issued by MDH
  - Phase 1a (healthcare workers)
  - Phase 1b (“frontline essential worker definitions”)
  - Phase 1c (“essential worker definitions”)
- Proposed legislation
  - Essential workers emergency leave act ([HF41/SF331](#))
  - Hero payments for long-term care workers ([HF2221/SF2313](#))

# MN “Frontline” and “Essential Worker” Definitions

- Executive Orders
  - [EO 20-20](#) (“essential critical infrastructure workforce” designations)
- Additional sources for guidance to MN agencies, including:
  - [Center for Economic & Policy Research Frontline Workers Data](#)
  - Other

# Thank You

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