

Frequently Asked Questions Salary Reserve FY 2009

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Who is eligible for the reserve in FY09?

Certain employees who earn less than \$40,000 per year working in programs under contract with departments within the Executive Office of Health and Human Services and the Executive Office of Elder Affairs are eligible for Salary Reserve.

Receipt of Salary Reserve funds is based upon application by provider organizations on behalf of its eligible employees, not on behalf of the employer. Therefore, direct service employees are eligible. Indirect support items are not eligible.

Eligible salaries are calculated on base pay (without overtime). The full time employee's annual salary determines his/her eligibility. The number of hours in your organization's Full-Time work week is determined by the organizations' personnel policies.

Part-time employees may be eligible as long as their hourly salary, if annualized is less than \$40,000 per year. The calculation for part time employees is based on a 40 hour work week, 37 ½ hour week, or 35 hour week, for one full-time employee (as noted in the organization's personnel policies).

Please note that the statute specifically excludes employees in special education programs, in certain child care programs, programs whose rates are set by the Division of Health Care Finance and Policy ("class rates") and contracts funded exclusively by federal grants. Therefore, these employees should not be included on your surveys.

Sub-contracted Programs - Human service contractors who have sub-contracting arrangements to provide services to Commonwealth clients are eligible for funds through this initiative. The primary contractor must apply for funds on behalf of the sub-contractor.

Vacant Positions - Vacant positions (as of the date of your payroll closest to July 1) for which a contractor is actively recruiting are eligible for funding through this initiative.

Terminated Employees - Since Salary Reserve payments are retroactive to July 1st (beginning of the State Fiscal Year), employees terminated during the fiscal year may be eligible for the salary reserve payment for the period they were on the job, if: (a) their salary went into the calculations for the salary reserve increase, (b) they were terminated after the Salary Reserve contract was signed, and (c) the otherwise eligible employee requests the retroactive salary increase payment within the fiscal year. Nevertheless, contractors need not search out terminated employees for retroactive payment; and, contractors need not give increases to employees whose performance was rated unsatisfactory on their most recent appraisal or who are currently subject to disciplinary action.

The following UFR titles are eligible for Salary Reserve:

UFR Title #	UFR Titles (for a more complete title description, please refer to the UFR Audit & Preparation Manual)
101	Program Manager - An individual who has overall responsibility for the management, oversight and coordination of a programmatic functional area within or across programs as in the case of "Medical Director", "Residence Director", "Clinical Director", "Education Director", etc.
102	Program Director - An individual who has overall responsibility for the daily operation of one or more individual programs.
103	Assistant Program Director - An individual who reports directly to the Program Director, acts for the Program Director in his/her absence and functions as an adviser/assistant to the Program Director.
104	Supervising Professional - A credentialed professional (physician, psychiatrist, social worker, nurse, etc) whose primary responsibility is the supervision of fellow credentialed professionals in the daily performance of their programmatic functions.
105	Physician - A Board of Registration in Medicine-licensed or Board eligible physician (including all medical specialties, e.g. dentist, podiatrist except psychiatrist # 121) with either an MD or DO degree whose primary responsibility is delivery or supervision of health/medical care to program participants.
106	Physician's Assistant - An individual registered with the Department of Public Health and functioning in that capacity.
107	Registered Nurse-Master's, Nurse Psychiatric Mental Health Specialist, Nurse Practitioner - An individual who possesses a Master's degree in nursing and/or is registered with the Board of Registration in Nursing and is functioning in any of the above capacities.
108	Registered Nurse - An individual who is licensed as a registered nurse by the Board of Registration Nursing (both BSNs and others) and is engaged in nursing duties.

109	Licensed Practical Nurse - An individual licensed as a practical nurse by the Board of Registration in Nursing and is engaged in nursing duties.
110	Pharmacist - An individual licensed by the Board of Registration in Pharmacy and functioning as a pharmacist.
111	Occupational Therapist - An individual registered as an occupational therapist by the Board of Registration in Allied Health Professionals and who provides occupational therapy.
112	Physical Therapist - An individual registered as a physical therapist by the Board of Registration in Allied Health Professionals and who provides physical therapy.
113	Speech/Language Pathologist, Audiologist - An individual registered as a Speech/Language Pathologist or as an Audiologist by the Board of Registration in Speech/Language Pathology and Audiology and provides speech and hearing therapy.
114	Dietitian/Nutritionist - An individual registered as a dietitian by the Commission on Dietetic Registration of the American Dietetic Association or an individual with a Bachelor's or Master's degree in nutrition, who provides nutritional counseling, education, supervision of meal/menu preparation.
115	Special Education Teacher - An individual certified in special education by the Massachusetts Department of Education and working in that capacity.
116	Teacher - an individual certified by the Massachusetts Department of Education, other than special education and working in that capacity.
117	Day Care Director - An individual certified by the Office for Children as a Day Care Director and functioning in that capacity.
118	Day Care Lead Teacher - An individual certified by the Office of Children as a Day Care Lead Teacher and functioning in that capacity.
119	Day Care Teacher - An individual certified by the Office of children as a Day Care Teacher and functioning in that capacity.
120	Day Care Assistant Teacher/Aide - An individual certified by the Office of Children as a Day Care Assistant Teacher/Aide and functioning in that capacity.
121	Psychiatrist - An individual licensed to practice medicine, certified or eligible for certification by the American Board of Psychiatry and primarily involved in rendering or direction psychiatric care.
122	Psychologist - Doctorate- An individual holding a doctoral degree in psychology (including behavioral psychologist and neuropsychologist) or a closely related field, registered by the Board of Registration of Psychologist and primarily engaged in providing diagnostic evaluations, psychological counseling/therapy or development and implementation of behavioral treatment plans.
123	Clinician (formerly Psychologist - Master's) - An individual holding a Master's degree in psychology (including behavioral psychologist) or a closely related field and primarily engaged in providing diagnostic evaluations, psychological counseling/therapy or development and implementation of behavioral treatment plans.
124	Social Worker -LICSW - An individual registered as a Licensed Independent Clinical Social Worker by the Board of Registration of Social Workers and primarily engaged in providing diagnostic evaluations, psychological counseling/therapy or development and implementation of behavioral treatment plans.
125	Social Worker-LCSW - An individual registered as a Licensed Certified Social Worker by the Board of Registration of Social Workers and providing social work services.
126	Social Worker - LSW - An individual registered as a Licensed Social Worker by the Board of Registration of Social Workers and providing social work services (including casework/counseling).
127	Licensed Counselor - An individual with at least a Master's degree in counseling or a related field who is licensed by the appropriate Board of Registration and provides counseling services.
128	Certified Vocational Rehabilitation Counselor - An individual certified by the Committee on Accreditation of Rehabilitation Facilities and provides vocational rehabilitation counseling.
129	Certified Alcoholism Counselor, Certified Drug Abuse Counselor, Certified Alcoholism/Drug Abuse Counselor - An individual registered as an Alcoholism Counselor, Drug Abuse Counselor or both by the Massachusetts Board of Substance Abuse Counselor Certification and who provides counseling services for substance abusers.
130	Counselor - An individual who provides therapeutic or instructive counseling to program clients/service recipients.
131	Case Worker/Manager - Master's - An individual possessing at least a Master's degree in counseling, or a closely related discipline, providing casework/case management services including service eligibility determination, service plan development, service coordination, resource development advocacy, etc.
132	Case Worker/Manager - An individual , providing casework/case management services including service eligibility determination, service plan development service coordination, resource development advocacy, etc.
133	Direct Care/Program Staff Supervisor - A staff member whose primary responsibility is the supervision of nonprofessional or paraprofessional direct care/program staff in the performance of their programmatic functions or whose duties involve significant responsibility for program operations or logistics. A supervisor in this component may also perform direct client care.
134	Direct Care/Program Staff III - Staff, other than those described above, requiring a doctoral or Master's degree, specific credentials or licensure, significant experience, or specialized skills, who are responsible for the general daily care of program clients/service recipients or for primary program service delivery.
135	Direct Care/Program Staff II - Staff, other than those described above, requiring a Bachelor's degree, experience or specific skills that are responsible for the general daily care of program clients/service recipients or for primary program service delivery.
136	Direct Care/Program Staff I - Staff, other than those defined above, who are responsible for the general daily care of

	program clients/service recipients or for primary program service. This includes relief employees on payroll.
137	Program Secretarial, Clerical Staff - Individuals required to carry on direct program clerical activities such as program or client record keeping.
138	Program Support, Housekeeping, Maintenance, Janitorial, Groundskeeper, Drive, Cook - Individuals who carry out direct program activities for client health and safety.

What programs are not eligible?

- Special education programs.
- Certain child care services.
- Programs whose rates are set by the Division of Health Care Finance and Policy ("class rates" for certain substance abuse, family planning, early intervention, mental health and other services).
- Contracts funded exclusively by federal grants (if you don't know if the contract is funded exclusively by federal funds, please call the applicable department).
- Supportive services when purchased as separate programs, e.g., client transportation and staff training.

What about Homemakers?

Because of the unique way that homemaker services are procured, the Executive Office of Elder Affairs (EOEA) and specific departments who purchase homemaker services within the Executive Office of Health and Human Services (EOHHS) will provide the data necessary to allocate funds for homemaker services. For homemaker services only, contractors will not complete survey data. However, you should complete the surveys for all other eligible services and/or employees you have under contract with departments within the Executive Office of Health and Human Services and the Executive Office of Elder Affairs.

What's covered?

In addition to the salary increases, contractors are permitted to use up to 7.65% of their salary reserve allocation to cover associated employer payroll taxes (Medicare and FICA).

What about the contract number?

As you may know, NewMMARS contract numbers consist of 20 digits. In some cases, the contract number assigned by the department is even longer than 20 digits. We suggest that you select the digits of your contract that will be the most recognizable by the purchasing department. If the original 11 digit contract number will be known to your department, then use that number and fill in the rest of the blanks with zeroes.

How do I determine the percentage of a program purchased by a contract?

The application requires you to enter a percentage of the program that is purchased by the contract. This is necessary in order to determine the total amount of a program's staff payroll which is eligible for an increase.

For unit rate contracts, please refer to Attachment 4: Rate Calculation/Maximum Obligation Calculation Page of your contract. Enter the percentage from line 5, Share of Total Capacity Purchased by Contract. If your contract does not contain a budget, please enter the percentage of the program that is purchased by the contract.

For cost reimbursement contracts, enter the percentage of the total capacity of the program purchased by the contract.

For non-maximum obligation contracts, calculate the percentage by dividing the number of units delivered to the purchaser of this contract by the total number of units delivered to all purchasers during FY 2008 unless you have a reason to believe it will be a different percentage for FY 2009. (Documentation must be available to support a different percentage.)

What about sub-contractors?

If you sub-contract programmatic services with other entities, it is your responsibility to include the employees of these sub-contractors in your survey under the appropriate contract that you have with the department. You may either: (1) roll all figures for the contract into a single entry, or (2) list the information for each sub-contract separately (making separate entries with the same contract number).

What about partial year contracts?

In some instances, you may have a contract with duration of less than one year. In such cases, you may call the department for assistance in completing this survey. In general, contracts that exist as of July 1, 2008 may be included in your survey as long as you follow the instructions on the survey to click on “Partial Year Contract” and to enter the dates of the contract as indicated.

Policy for POS Contracts that Begin or Terminate Mid-Year

In years for which the Legislature appropriates funds to a salary reserve, reserve allocations are made based on July 1 payroll data for all current, eligible contracts. In accordance with the regular procedures followed for payment of funds under the salary reserve, and because allocations are made based on a snap-shot of payroll data for contracts active in the beginning of the fiscal year, the following applies:

- Contracts that terminate during the course of a fiscal year are only eligible for a salary reserve allocation that covers the duration of the contract. This is because state finance law prohibits the allocation of funds for contracts after their termination date.
- Contracts that are begun or newly-procured during the middle of a fiscal year are not eligible for salary reserve allocation in that year. This is because a) purchasing agencies are expected to execute new procurements in a manner that accommodates labor and other market cost increases subject to appropriation, and b) there is no cost basis for determining an accurate salary reserve allocation.

How will EOHHS allocate the funds?

Once EOHHS and departments have reviewed all the salary information we will proceed as follows:

- EOHHS will tally up the total eligible payroll for each contractor and develop an allocation plan.
- The FY2009 Salary Reserve statute requires that the \$23 million reserve be distributed to those employees earning less than \$40,000. As such, \$23 million will be divided by the total eligible payroll of those earning less than \$40,000 to determine the allocation percent.
- Contractors will be required to sign a FY09 Salary Reserve contract issued by EOHHS governing the use of reserve funds. These amounts will be rolled into individual service contracts the following Fiscal Year.
- EOHHS again plans to use the Office of the Comptroller’s Ready Payment system to disburse the funds. The first payment, retroactive to July 1,

2008, will be followed by two quarterly payments on or near March 30, 2010 and June 30, 2010.

How should providers allocate funds to eligible workers?

Since the Salary Reserve is being distributed as a bonus in FY09 instead of a wage increase (see Fiscal Year 2009 Guidance on POS Salary Reserve website). Providers should ensure that eligible employees receive a lump sum payment equal to six months of the total allocation in within 30 days following distribution from EOHHS.

The amount due to providers will be distributed by EOHHS in quarterly payments on March 30, 2009 and June 30, 2009. As with the first payment, providers should distribute the lump sum to eligible workers as a compensation adjustment within 30 days following distribution from EOHHS.

How is the Salary Reserve monitored?

Monitoring and oversight of the initiative will take place in a number of ways:

- Contractors will be required to sign a contractual document (EOHHS Salary Reserve contract) agreeing to certain conditions on the use of the reserve funds.
 - Contractors may be required, if requested by departments, to submit a final allocation plan to the individual departments.
 - EOHHS, all departments under EOHHS, and the Office of the State Auditor will have authority to audit contractors' worksheet data and payroll records to ensure accuracy of contractor submissions and compliance with the terms of this initiative.
 - Compliance with the terms and conditions of this initiative will be reviewed by the contractor's independent auditor as part of the annual audit process.
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What does the statute say exactly?

FY09 Salary Reserve Statute

1599-6901 Purchase of Service Rate Increase

For a reserve to adjust the wages, compensation or salary and associated employee-related costs to personnel earning less than \$40,000 in annual compensation who are employed by private human service providers that deliver human and social services under contracts with departments within the executive office of health and human services and the executive office of elder affairs; provided, that home care workers shall be eligible for funding from this appropriation; provided further, that the secretary of administration and finance may allocate the funds appropriated in this item to the departments in order to implement this initiative; provided further, that the executive office of health and human services shall condition the expenditure of appropriation upon assurances that the funds shall be used solely for the purposes of equal percentage adjustments to wages, compensation or salary; provided further, that not later than January 15, 2009, the executive office of health and human services shall submit to the house and senate committees on ways and means a report delineating the number of employees, by job title and average salary, receiving the adjustment in fiscal year 2009 and the average percentage adjustment funded herein; provided further, that the report shall also include, for each contract scheduled to receive any allocation from this item in each such department, the total payroll expenditures in each contract for the categories of personnel scheduled to receive the adjustments; provided further, that no funds from this item shall be allocated to special education programs under [chapter 71B](#) of the General Laws, contracts for early education and care services or programs for which payment rates are negotiated and paid as class rates as established by the division of health care finance and policy; provided further, that no funds shall be allocated from this item to contracts funded exclusively by federal grants as delineated in section 2D; provided further, that the total fiscal year 2009 costs of salary adjustments and any other associated employee costs authorized there under shall not exceed \$23,000,000; provided further, that the executive office health and human services shall submit an allocation schedule to the house and senate committees on ways and means not less than 30 days after disbursement of funds; and provided further, that the annualized cost of the adjustments in fiscal year 2010 shall not exceed the amount appropriated herein. \$23,000,000

Who else can I call on for help?

If you need help, please call the Salary Reserve Hotline at (617) 573-1717 or send an email to possalary.reserve@state.ma.us