

COVID-19 Update From EKA – April 29, 2020

If you have any questions or if we can be of any assistance, please reach out to EKA, and we will be happy to assist you. Please feel free to share our daily email updates. If you would like to see previous EKA COVID-19 updates, click [here](#).

Stay At Home Order Day 42

Today is day 42 of the [statewide "Stay-at-Home" Order](#). 50 days ago, the World Health Organization declared COVID-19 a Pandemic.

Temperature Checks & COVID-19 Testing

Several people have asked EKA if they are allowed to conduct temperature checks. The Equal Employment Opportunity Commission in response to an outbreak of H1N1 in 2009 issued some guidance, which has now been updated to apply to the COVID-19 pandemic. To view the EEOC guidance, click [here](#). We should also note that the EEOC updated its recent guidance to provide that an employer may administer COVID-19 testing to employees before they enter the workplace to determine if they have the virus. To read the guidance, click [here](#).

On a related note, we would like to remind employers who might take precautions (measuring body temperature etc) as workplaces are opening up, that they have to do so in compliance with the California Consumer Privacy Act (CCPA). You may need to provide notice to your employees. EKA reminds those planning to take these steps to ensure you are compliant with the CCPA. The California Attorney General office has indicated they will be prosecuting violations of the CCPA. To view the AG's CCCPA webpage, click [here](#). Before you begin taking employees temperatures or begin COVID-19 testing, EKA recommends that you consult with your legal counsel.

LOS ANGELES COUNTY

L.A. County Prepares Budget Cuts

As a follow-up to our previous report, the Board of Supervisors warned yesterday of program cuts that could be severe as Los Angeles County deals with COVID-19. The Board acknowledged that major revisions to the preliminary \$35.5 billion budget for fiscal year 2020-21 must be made. The CEO estimates that revenues will decline by another \$1 billion-plus next year. She said the County is more dependent now on property and sales tax revenue than it was during the 2008 recession, due to state budget realignments. The CEO said the County would consider a wide variety of approaches to achieve a balanced budget this year and the years ahead, including spending down reserves and trust accounts, continuing a hiring freeze on all non-essential positions, and suspending contributions to employee 401k plans and funding affordable housing.

The Board joined with the National Association of Counties (NAC) to advocate for full reimbursement of COVID-19 expenses by the Federal Emergency Management Agency. NAC has also asked the federal government to allow municipalities to use funding from the federal

coronavirus relief bill to offset revenue losses. The budget proposal was largely drafted before the current crisis and assumes a 5.25% increase in tax assessment rolls and a slight increase in state sales tax. It is difficult to draw conclusions about exactly how the County's priorities might shift going forward as those estimates get knocked down. Significantly worse-than-expected returns on investments are also likely to result in sharply increased county pension fund costs in future years. Measure H sales tax revenues, which are used to fight that battle, is projected to decrease significantly as a result of the economic downturn triggered by the global pandemic. The Board is expected to adopt a recommended budget in June and finalize it in September. To view the recommended budget, click [here](#) and click [here](#) to view the Motion.

Department of Public Social Services

The DPSS announced that they have extended Customer Service Center (CSC) hours. CSC is a "single point of contact" for the following aid programs: CalWORKs, CalFresh, Medi-Cal, and General Relief. For more information click [here](#).

CalFresh Recipients Can Now Buy Groceries Online

The County's Department of Public Social Services said that families and individuals who get CalFresh food benefits can now order groceries online using electronic benefit transfer cards. The cards can be used to purchase food online from Amazon and Walmart for home delivery. Delivery is free for any order of \$35 or more. For more details, click [here](#).

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Judge Grants TRO Against Norwalk

A judge issued a temporary restraining order directing the city of Norwalk to comply with State and Los Angeles County efforts to temporarily place homeless people considered vulnerable to COVID-19 in a specified motel. The judge's order applies only to the one motel eyed by the County. As we reported in a previous update, Norwalk directed a participating hotel to withdraw its contract with the County and threatened to take immediate action to revoke its permits, business licenses and other municipal entitlements.

Board of Supervisors Meeting

The EKA team monitored the Board meeting. Below are some noteworthy items discussed at yesterday's meeting.

Safely Reopening Los Angeles County

The Motion by Supervisors Barger, Solis and Hahn was approved as amended. The Motion directs the Chief Executive Officer, Director of the Office of Emergency Management, to report back to the Board in seven days with details on measures needed for containment of COVID-19 and needed prerequisites for relaxing the Safer at Home Order; and report back to the Board in seven days, and to develop a plan to engage the business community and our labor partners in

any plans to relax restrictions of the Safer at Home directive to allow for adequate input and preparations to reopen under the physical distancing and face-covering public health guidelines to reduce the spread of COVID-19. Supervisor Hahn amendment added City representatives (all county cities), labor & non-profits to the discussion. Click [here](#) and [here](#) to see the Motions.

L.A. Economic Recovery (& Reopening Plan)

The Motion was approved as amended. The Motion lays out the framework of a plan to reopen L.A. County. The recommendations includes the creation of task force, the creation of permanent 501c3 County Fund for Los Angeles, a request to prioritize micro grant opportunities, develop & implement L.A. County Works Initiative and provide incentives to spur economic recovery particularly as relates to retail/ restaurant/manufacturing/hotels. Click [here](#) to view the Motion.

Protecting Frontline Healthcare Workers

The Board directed Departments to report back to the Board in 14 days with a comprehensive plan outlining the following:

- Assessment and collaboration with the State regarding housing and reasonable accommodation needs for all first responders and frontline healthcare workers who are engaged in COVID-19 Countywide response efforts
- engage the State in leasing these facilities across the County, prioritizing unmet needs and equitable access for all first responders and frontline healthcare workers

To view the Motion, click [here](#).

Worker Protections

The Board approved a Motion submitted by Supervisors Hahn and Solis. They approved an interim urgency ordinance requiring employers with over 500 employees nationally and located within the unincorporated areas of the County to provide supplemental paid sick leave. To review the Motion, click [here](#).

L.A. County to Send Vote-By-Mail Ballots to All Registered Voters in November

The Board voted unanimously to send vote-by-mail ballots to every voter registered for the November general election, citing COVID-19 and related social distancing. The [permanent policy](#), introduced by Supervisors Janice Hahn and Sheila Kuehl, means the County's more than 5 million voters will receive a paper ballot to return by mail for all elections moving forward. The County is also studying voting system improvements in the wake of the March 3 primary election chaos that saw high wait times and glitchy voting machines frustrate long lines of voters. L.A. County Registrar Dean Logan told the Supervisors that California will likely adopt a similar mail-in ballot policy statewide by the fall. To view the Motion, click [here](#).

County Code, Title 8 - Consumer Protection, Business and Wage Regulations Amendment

The Ordinance removes the requirement for a "doctor's note" and keeps "documentation" as a requirement that employers MAY utilize when providing paid sick leave. To view the Revised Ordinance, click [here](#).

Ethnic and Hyperlocal Community Outreach

The Board instructed the CEO to evaluate the County's utilization and investment in ethnic and hyperlocal media for community outreach. To view the Motion, click [here](#), and to see the Board Report, click [here](#).

VENTURA COUNTY

Ventura County Won't Mandate Cloth Mask Use

The Ventura County Public Health Department said they will not issue a public health order to mandate people wear cloth masks in grocery stores or other public settings. Dr. Robert Levin, of the Ventura County Public Health Department, cited the lack of enough compelling evidence over net benefits of cloth face coverings in announcing his decision not to follow the lead of Los Angeles and Riverside counties in issuing a mask mandate. He issued a written report summarizing arguments for and against masks. The Health Department said they cannot jump ahead of the State's lead in making decisions about reopening businesses and modifying current restrictions.

SACRAMENTO

Governor's Daily Briefing

During his daily press briefing, the Governor said the State is mulling ways to make up for lost time by reopening schools as early as July, though likely with modifications and he outlined plans for easing stay-at-home. The Governor said no official decisions have been made. In the next phase, (the Governor said is weeks away) parts of the economy such as retailers and manufacturers will begin operating again, possibly through curbside pickup at stores. Childcare and summer schools along with parks, trails and other outdoor spaces may also be allowed to reopen. It wasn't clear when restaurants may be able to reopen for dine-in services.

As mentioned in our previous updates, the Governor said California will reopen in four phases: the first and current stage entails improving testing/tracing and prepping hospitals for an additional surge. Stage two calls for the limited reopening of schools, retailers, business offices and public spaces. The final two stages cover so-called "high-risk workplaces" like gyms, salons, entertainment venues and concerts. The Governor used his daily briefing to urge residents once again to remain vigilant while his administration plots its phased reopening. He also noted his economic task force led by Tom Steyer would be meeting with retailers to talk about reopening strategies this week.

Senate Pandemic Emergency Response Schedule Update

The Special Committee on Pandemic Emergency Response will meet May 6, 2020 at 1:30 p.m. The special committee is tasked with reviewing the State's response to the COVID-19 health crisis – what has gone right and what could be improved. As with the Senate's April 16, 2020 budget hearing on COVID-19, some members of the committee are expected to participate remotely under the terms of Senate Resolution 86, which was adopted by the Senate to allow

its work to continue during the COVID-19 crisis. The Senate is expected to return from recess on Monday, May 11, 2020.

New Legislation

The EKA team is working with our colleagues and monitoring the flurry of COVID-19 proposals that await lawmakers in Sacramento once they reconvene next month, including a measure that would extend workers' compensation to any essential employee who gets sick with the virus during the pandemic. Assemblywoman Lorena Gonzalez said employees in health care, grocery, retail and other industries listed as essential under the Governor's emergency order deserve reassurance they will be taken care of if they get sick at work. As noted above, lawmakers have been holding emergency budget hearings, but normal floor sessions and committee hearings are expected to resume in Sacramento in May.

Pandemic Unemployment Assistance (PUA) Program

The Employment Development Department (EDD) is accepting online applications for a new emergency unemployment assistance program under the federal CARES Act. The Pandemic Unemployment Assistance (PUA) program is specifically for unemployed or partially unemployed individuals who are not eligible for regular unemployment insurance and who are unable or unavailable to work due to COVID-19 related circumstances. Under the CARES Act of 2020, the \$600 additional benefits are available through 07/31/20. However, the U.S. DOL has issued guidance to clarify that, for most Californians, the last full week of benefits will end on 07/25/20. Similarly, the PUA program has a legislative end date of 12/31/20, but for most Californians the last full week of benefits will end on 12/26/20. For more information, click [here](#).

Fair Credit Reporting Act

Attorney General Xavier Becerra, as part of a coalition of 22 attorneys general, sent letters to the nation's three largest credit reporting agencies (CRA) – Experian, Equifax and Transunion – reminding the companies of their continued obligation during the COVID-19 pandemic to comply with the Fair Credit Reporting Act (FCRA). The letter comes after the Consumer Financial Protection Bureau's (CFPB) recent announcement that it will not enforce certain requirements of the FCRA during the COVID-19 pandemic. This month the A.G. [sent a letter](#) to the CFPB urging them to immediately withdraw its guidance that it would not enforce part of FCRA during the COVID-19 pandemic. He also [sent a letter](#) to HUD Secretary Ben Carson and Federal Housing Finance Agency Director Mark Calabria requesting further action to protect homeowners during the COVID-19 public health emergency. The AG filed a [comment letter](#) urging the Comptroller of the Currency and the Federal Deposit Insurance Corporation to withdraw a proposed rule that would undermine efforts to combat banking discrimination. A copy of the most recent letter can be found [here](#).

NATIONAL

Updated FAQs on the PPP

The SBA has also issued revised guidance concerning the PPP. The new guidance, the most

recent of which is dated April 26, 2020, relates in part to the "economic necessity" certification made by applicants applying for a PPP loan, along with the number of employees to be used in determining eligibility. On the current borrower certification that the current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant. The guidance suggests that businesses owned by large companies with adequate sources of liquidity to assist the business's ongoing operations will not be able to make the necessary certification, pointing specifically to public companies with access to the capital markets. The guidance, however, also suggests that borrowers making the "necessity" certification should take into account their current business activity and their ability to access other sources of liquidity sufficient to support their ongoing operations in a manner that is not significantly detrimental to the business. For a copy of the updated FAQs, click [here](#). To read the text of the Act click [here](#).

New Interim Rule on the PPP: Hedge Funds and Private Equity Funds Explicitly Excluded

The SBA released an [Interim Final Rule](#) which reiterates its available May 7 "safe harbor" on the "economic necessity" certification and also makes explicit that hedge funds and private equity firms are not eligible for a PPP loan on the basis that such entities are primarily engaged in investment or speculation. However, the Interim Final Rule expressly provides that portfolio companies of a private equity fund are eligible for PPP loans as long as they can meet the eligibility requirements in light of the SBA affiliation tests and so long as they can meet the "necessity" certification (and again the SBA cautions on carefully making such a certification. An additional [Interim Final Rule](#) was also released on April 27 with guidance for seasonal employers. EKA will continue to follow these programs and updates carefully and pass along the information.

WHAT WE'RE READING

Rick Cole on the Path Forward for Cities

When Rick Cole resigned as city manager of Santa Monica this month, cities across the Southland took notice. That's not just because Cole is a respected public administrator and familiar face. His reasons for leaving—[outlined in a poignant farewell statement](#)—raise important questions about the future of California's cities, as they face an unprecedented public health and fiscal crisis. To read then entire interview, click [here](#).

L.A. County Leaders Will Create Team To Craft Recovery Roadmap, But Stay-Home Orders Still In Place

The Los Angeles County Board of Supervisors on Tuesday, April 20 approved an economic recovery roadmap, setting down an early blueprint for when social distancing orders could be eased and how the sputtered-out wheels of the region's economy get spinning again. The action calls for an "economic resiliency task force" comprised of leaders from government, industry, labor and chambers of commerce. The coalition would be tasked with drafting an action plan within 15 days, leveraging public and private partnerships to get business and non-profits going again. To read more, click [here](#).

To read the more, click here.

West Coast Business Groups Form Reopening Coalition

The business leaders — who represent organizations including the California Business Roundtable and the California Manufacturers & Technology Association — shared their support and principles for economic rebound in a joint letter to California Gov. Gavin Newsom, Oregon Gov. Kate Brown and Washington Gov. Jay Inslee. The three governors have formed a West Coast pact aimed at addressing coronavirus outbreak challenges together, including the economic rebound. To read more, click [here](#).

CA Bill To Allow Employees Sick With COVID-19 To File Workers' Comp Claims Against Employers

A gut-and-amend bill has been introduced to allow employees who were sick with coronavirus to file workers' compensation claims against their employers, claiming the illness is a workplace injury, and the employers' fault. However, Gov. Gavin Newsom is also considering issuing an executive order to make it easier for "essential workers" to apply for and receive workers' compensation insurance if they contract COVID-19. To read more, click [here](#).

Quirk In Coronavirus Relief Law Gives Full \$600 A Week Even To Workers Facing Only Cut Hours

California workers who see their hours cut as little as 10% due to the coronavirus outbreak are eligible to receive the entire \$600-a-week federal subsidy offered in the \$2-trillion federal rescue package, state officials and employment experts say. That means in some cases, workers in California — and across the country — could end up temporarily receiving far more from the government for those lost hours than they would have earned by working them. To read more, click [here](#).

Bay Area Planned Layoffs Quadruple

Over the first three weeks in April alone, employers filed plans with the State for staffing reductions that would eliminate about 53,500 jobs — nearly four times as great as the approximately 13,900 in job cuts that were proposed during all of March. Since state and local governments issued widespread lockdown orders in mid-March to curb the spread of the coronavirus, employers have formally notified the EDD of plans to lay off about 67,100 workers at locations in the nine-county Bay Area. To read more, click [here](#).

Texas Governor Allows Malls, Restaurants, More To Open By May 1

Gov. Greg Abbott issued a new executive order on Monday that will allow all retail stores, restaurants, movie theaters and malls to operate at partial capacity by May 1 as he moves to reopen in phases the state economy stalled by the new coronavirus outbreak. To read more, click [here](#).

Trump Administration Has Enough Tests for 2% of Each State's Population, Official Says

The Trump administration is prepared to send all 50 states enough tests to screen at least 2% of residents for the new coronavirus, a senior administration official said Monday, with the aim of rapidly expanding supplies in the coming weeks as the nation's leaders look to reopen parts of

the economy. See the White House's "Blueprint for Testing Plans and Rapid Response Programs" [here](#). To read more, click [here](#).

Santa Clara County's New COVID-19 Investigations Unit Sees Early Success Specializing In Contact Tracing

The Santa Clara County Sheriff's Office said it's seeing success in its recently launched COVID-19 Investigations Unit (CIU). The purpose of the CIU is contact tracing within sheriff's facilities and stopping the spread throughout the agency. It's a unit like we've never seen. To read more, click [here](#).

California's post-corona challenges

California has, at least to date, escaped the worst effects of Covid-19. Despite predictions by Governor Gavin Newsom that upward of 25 million Californians would become infected, after six weeks of lockdown the State, despite having twice as many residents as New York, has suffered only one-eighth the number of cases and considerably less than one-tenth the fatalities. The numbers could worsen, but if the rate of growth of infection slows, as is now occurring even in New York, the Golden State may well avoid the worst-case scenario. To read more, click [here](#).

Pence Flouts Mayo Clinic Policy By Touring Coronavirus Testing Facility Without A Mask

Vice President Mike Pence went on a tour of the Mayo Clinic's coronavirus testing labs Tuesday — and ignored the prestigious Minnesota hospital's rules that all occupants wear masks. "Mayo Clinic had informed the VP of the masking policy before his arrival," the clinic tweeted while Pence was still inside meeting with doctors and patients. The tweet was later deleted. Asked for comment, the clinic said only that it had "shared the masking policy with the V.P.'s office." To read more, click [here](#).

Note: *This update has been prepared for informational purposes and is compiled from publicly available sources and is not intended to be legal or tax advice. All hyperlinks are live and will bring you to the information mentioned.*