

## COVID-19 Update From EKA – May 1, 2020

### Stay At Home Order Day 44

Today is day 44 of the [statewide "Stay-at-Home" Order](#). Fifty-two days ago, the World Health Organization declared COVID-19 a Pandemic. If you have any COVID-19 government or communications questions, please reach out to any member of the EKA team. As always, feel free to share our COVID-19 updates. EKA's previous COVID-19 updates can be found [here](#).

### Loan Forgiveness & The Paycheck Protection Program

While the U.S. Small Business Administration has yet to adopt or issue any guidance for small businesses to use in calculating loan forgiveness under the Paycheck Protection Program (PPP), the EKA team came across a very helpful guide on how the forgiveness piece of the PPP will likely work. To view the informative document, click [here](#).

## ORANGE COUNTY

### Closure of Orange County Beaches

Yesterday we reported that the Governor might close the coastline statewide. The Governor instead ordered a temporary "hard close" only of beaches in Orange County. During his daily briefing, the Governor said that several modifications were made to the State Guidelines about activities that are permissible. Click [here](#) to see what is and isn't allowed. As a result of the Governor's action to target Orange County beaches, Dana Point and Huntington Beach decided to seek temporary restraining orders to halt the temporary 'hard close' of beaches in the O.C. Huntington Beach said they believe being a Charter City gives them more authority to self-governance. Interestingly, Orange County Sheriff Don Barnes said that his Department is NOT going to be taking enforcement action on the Governor's Order. Stay tuned.

## LOS ANGELES COUNTY

### May 7 Property Statement Deadline

Separate from property taxes paid on real estate, many businesses pay business personal property taxes on equipment, machinery, and furniture with an aggregate total value of \$5,000 or more. The Assessor's Office identifies taxable business property using various types of Business Property Statements filed by taxpayers and via an "in the field" review by appraisers. The applicable statement was due by April 1, with a penalty applied to statements filed after May 7. Nonprofits must also file Business Property Statements. To learn more, click [here](#).

### Street Vendors

Supervisor Hilda Solis and County Department of Public Health officials called for street food vendors to stop operations during and offered resources to those who have been financially affected. Supervisor Solis said many street vendors may be continuing to operate because they don't think they're eligible for COVID-19 assistance from the County, such as health services,

rent assistance and business assistance and they may be afraid to access the services due to their immigration status.

### **COVID-19 Incident Update**

The County issued a new high-level summary of the L.A. County Emergency Operation Center's COVID-19 disaster response. To read the latest update from the County, click [here](#).

## **CITY OF LOS ANGELES**

### **Moratorium on debt collection**

As we reported in a previous update, Councilwoman Monica Rodriguez put forward a Motion to halt debt collection During COVID-19. The City Council agreed and voted unanimously to support her Motion. The measure does not take any immediate action to stop the practice but calls on the Mayor to impose a moratorium on debt collection. It also asks the mayor to declare collection and credit agencies to be nonessential businesses during the emergency order spurred by the pandemic. As we have noted in our updates, the Governor signed an [executive order](#) that bans wage garnishment for any financial assistance tied to COVID-19 unless the money is being garnished for child support or other specified kinds of restitution. The Franchise Tax Board is also [holding off](#) on garnishing wages and imposing bank levies and liens on residents who have unpaid taxes and other government debt until the middle of July. To view a copy of the Motion, click [here](#).

## **San Diego**

### **Lifting Restrictions Of Health Order**

San Diego County is using five federal criteria and state recommendations to determine when and how to ease or lift some of the restrictions in the local health officer order. The County has met four of the five federal criteria – symptoms, cases and hospitals –and has made progress in the remaining testing criteria, according to officials. The four criteria that have been met are:

- San Diego County has experienced a 14-day downward trajectory in the number of people with influenza-like illness (ILI) at local emergency departments. From March 16 to April 15, the percent of emergency department visits for ILI dropped from 10% to 3%.
- San Diego County must register a downward trajectory of COVID-like syndromic cases reported within 14 days. This trend has varied but has been declining in recent days.
- The number of positive cases of COVID-19 in comparison to the number of tests administered over 14 days is in a downward trajectory. Since April 6, San Diego County has experienced a decreasing percentage in positive COVID-19 tests among San Diegans.
- The local health care system has been able to handle the number of patients needing hospitalization for COVID-19 and other illnesses and diseases. Currently, hospital capacity remains stable.

## **SACRAMENTO**

### **Delivery of Alcoholic Beverages**

Many licensees deliver alcoholic beverages to consumers at residences, businesses, and other locations away from the licensed premises. Although delivery is a privilege most retailers have had for many years with respect to beer and wine since the advent of the COVID-19 crisis, and the Department Alcoholic Beverage Control (ABC) is permitting the delivery of distilled spirits and retailer-packaged alcoholic beverages, the ABC is reporting that there has been a marked increase in deliveries. The ABC issued an Advisory in an effort to call licensees' attention to four issues:

- (1) To remind licensees of their legal obligations relating to deliveries;
- (2) To ensure licensees are aware that they are ultimately responsible for the delivery of the alcoholic beverage;
- (3) That the Department's recent enforcement actions have revealed that third-party delivery services are routinely delivering alcoholic beverages to minors; and
- (4) That many licensees, and the delivery services they use, are failing to adhere to a variety of other legal obligations.

To read the Notice of Regulatory Relief, click [here](#).

### **New Online Portal To Help Parents Find Child Care Options**

Governor Newsom said a new portal to help parents, including essential workers and vulnerable families, find safe, reliable and accessible childcare options. The portal enables parents to enter their location and the type of care they need, instantly receiving a list of local center-based and family childcare programs. The list of open licensed childcare programs will include health and safety information, age of children accepted, capacity, availability, hours, and contact information for the program and local Child Care Resource and Referral agency. The Child Care Resource and Referral agencies can answer general questions, including those about childcare subsidies. To view the portal, click [here](#).

### **Guidance to Law Enforcement on Hate Crimes**

The Attorney General issued a bulletin to help ensure law enforcement agencies across California have the necessary information and tools to continue to respond to hate crime activity during the COVID-19 crisis. As a result of the rhetoric surrounding COVID-19, there has been growing concern around reports of increased hate incidents and crimes throughout the United States in recent weeks. A copy of the bulletin is available [here](#).

## **NATIONAL**

### **Two Airlines Mandate Face Mask Use**

JetBlue and Frontier Airlines will begin requiring that passengers wear a face covering over their nose and mouth at the airline's ticket counters, gate areas and onboard. Very young children, for whom a face covering is inadvisable, will be exempt from the policy. Here's where some major carriers stand so far on personal protective equipment:

- **American Airlines** announced that flight attendants will be required to wear masks beginning on May 1. American will also start handing out sanitizing wipes and gels and face masks to customers in early May, "as supplies and operational conditions allow," [a news release said](#).
- **Delta Air Lines** requires all employees to wear masks or face coverings when unable to maintain the six-foot social distancing rule.
- **United Airlines** will begin to provide masks to passengers in early May, but passengers will not be required to wear them. All United Airlines flight attendants are required to wear face masks. United was the first major US carrier to announce the requirement, according to its [website](#)

### **CDC Guidance For Cleaning & Disinfecting For Reopening**

The Centers for Disease Control and Prevention (CDC) has issued some guidance for cleaning & disinfecting for reopening. This guidance is intended for all everyone, whether you own a business, run a school, or want to ensure the cleanliness and safety of your home. To read the CDC guidance, click [here](#). As a reminder, if you need assistance with cleaning, EKA's client ANCON is a turnkey industrial service company that provides decontamination services, as well as Bio-Haz emergency and planned responses. Their services have been used for Caltrans, homeless camp clean-ups, Los Angeles and Long Beach Ports, Carnival Cruise Lines, as well as companies like Walmart and Target. If you are interested in utilizing ANCON's services to decontaminate your business or facility professionally, please reach out to EKA, and we will be happy to connect you.

Other new updates from the CDC include:

- [Interim Guidance on Management of Coronavirus Disease 2019 \(COVID-19\) in Correctional and Detention Facilities](#)
- [Global COVID-19](#)
- [Keeping Children Healthy While School's Out](#)
- [Interim Guidelines for Collecting, Handling, and Testing Clinical Specimens from Persons for Coronavirus Disease 2019 \(COVID-19\)](#)

### **U.S. Unemployment Hits 18M**

The Department of Labor said that 18 million Americans received benefits as of last week and that insured unemployment had hit 12.4%. To read the 10-page press release, click [here](#).

### **Unemployment Insurance**

The U.S. Department of Labor (DOL) has issued [four new guidance letters](#) providing clarity surrounding the unemployment compensation provisions of the [Coronavirus Aid, Relief, and Economic Security \(CARES\) Act](#). It is important to note that to apply for U.I. Benefits under CARES, it is the same application process as California Unemployment Insurance administered by the state [Employment Development Department \(EDD\)](#). Individuals who apply for California U.I. will [automatically have an application](#) into CARES. Claimants do not need to do anything extra to receive additional CARES funding. EKA recommends that in general, employers should not be advising employees about their eligibility for U.I. Benefits or guaranteeing eligibility. The

ultimate determination is made by the state based on individual circumstances. While employers should have a general understanding of how U.I. works, employees with questions about their benefit eligibility or claims should direct those questions to the EDD — even if EDD is currently slow to respond. Answering employees' detailed questions or helping them fill out claim forms could create company liability if you get the information wrong. We recommend that you provide employees who are laid off or their hours are reduced with the EDD pamphlet. Click [here](#) for a copy of the document.

### **U.I. Programs under the CARES Act**

EKA has received many questions regarding unemployment benefits under the CARES Act. The information below is not legal advice, just general information we have been able to gather while monitoring various government websites. As a reminder, the [DOL Guidance Letter published on April 2, 2020](#) explains the order that individuals should apply for unemployment insurance (U.I.) benefits listed in the table above. Specifically, individuals who may be eligible for U.I. programs:

- Must first apply for and receive state U.I. Benefits. The amount and duration is dependent upon state law. Individuals awarded regular benefits may receive an additional \$600 per week under FPUC benefits.
- If the individual exhausts regular U.I. benefits, they may receive additional U.I. Benefits through PEUC for up to an additional 13 weeks.

### **Clarification of \$600 Weekly Benefit**

We thought it was important to remind everyone of the [DOL Guidance Letter published on April 4, 2020](#), which provides clarification surrounding FPUC, the additional \$600 federal weekly U.I. Benefit. FPUC benefits are available to individuals collecting any amount of state-funded U.I. Individuals who are "eligible to receive at least one dollar (\$1) of underlying [state] benefits for the claimed week will receive the full \$600 FPUC."

### **Who is Eligible?**

As noted in a previous EKA update, the [DOL Guidance Letter published on April 5, 2020](#) clarified the PUA program. Specifically, PUA provides benefits to individuals who are not eligible for regular unemployment compensation, including business owners, independent contractors and those who have collected all eligible benefits. The guidance confirms that only individuals impacted by one of the COVID-19 related reasons listed below qualify for PUA benefits. It also clarifies that benefits are not payable to individuals who have the ability to telework with pay, or who are receiving paid sick leave or other paid leave benefits. However, the DOL did note that an individual "receiving paid sick leave or other paid leave benefits for less than [their] customary work week" or who "has been offered the option of teleworking with pay and does telework with pay, but is working less than the individual customarily worked prior to the COVID-19 pandemic," still may be eligible for at least reduced weekly PUA benefits. Finally, the [DOL Guidance Letter published on April 10, 2020](#), provides the states with operating, financial, and reporting instructions for the PEUC program. Based on the information EKA has reviewed, California is still working to implement the CARES Act provisions. If you have additional

questions, please look at their main [COVID-19 resources page](#) and the [Pandemic Unemployment Assistance](#) page for more additional information.

## WHAT WE'RE READING

### **L.A. Is Using A Streamlined Coronavirus Test. But It Has Potential Risks And Rewards**

When the coronavirus hit, Los Angeles County faced a [testing crisis](#). Officials had only one test processing machine at its laboratory in Downey and had little hope of getting help from the federal government. Swabs were scarce. Laboratories were backlogged. And there weren't enough healthcare workers to take samples from patients. To read more, click [here](#).

### **CDC Manual Offers Advice on Crisis Comms**

One thing we've learned from the COVID-19 pandemic is that the Centers for Disease Control and Prevention has a book called *The CDC Field Epidemiology Manual* that includes a chapter on communications. It contains some good reminders about best practices for communicating in a crisis. Navigating the rise and fall of incoming information is essential. An important insight is that different audiences will hear information you communicate to them differently depending on how at risk they perceive themselves to be. That goes to the issue of knowing what your various audiences need to understand in a crisis. To read more, click [here](#)

### **California Launches Plan To Get Struggling Farmers' Produce To Food Banks**

Hoping to get food flowing from fields to those in need, California Gov. Gavin Newsom said Wednesday farmers and ranchers are rushing to provide up to 21 million pounds monthly to overburdened food banks. Spurred by the statewide ban of on-site dining, California's \$50 billion agricultural industry has seen a 50% drop in commercial demand in recent weeks. With limited ability to sell produce and meat products, Newsom said more than 120 producers have begun divvying their hauls to food banks which have simultaneously seen a 70% demand during the pandemic. To read more, click [here](#).

### **British Doctors Warn Some Chinese Ventilators Could Kill If Used In Hospitals**

Senior British doctors have warned that 250 ventilators the United Kingdom bought from China risk causing "significant patient harm, including death," if they are used in hospitals, according to a letter seen by NBC News. The doctors said the machines had a problematic oxygen supply, could not be cleaned properly, had an unfamiliar design and a confusing instruction manual, and were built for use in ambulances, not hospitals. To read more, click [here](#).

### **California Mayors Coalition: Ensuring Survival Of SoCal Cities After This Pandemic**

Millions of people depend on their own towns and cities in California for essential human services. The COVID-19 crisis is crushing already cash-strapped California cities. Those towns and cities are beyond frustrated that we're being ignored by our counties, state and federal government when it comes to financial assistance. That's why California mayors are asking our government at all levels to come together to bring all California cities immediate and significant

relief. We've proposed common sense solutions that will allow California cities to continue to thrive despite the current challenges. To read more, click [here](#).

### **City Leaders Share Devastating Fiscal Impact Of COVID-19 And Call For State And Federal Aid**

However, delivering services, supporting local businesses, and protecting the community comes at a cost. A [new data analysis from the League](#) shows that cities are facing a nearly \$7 billion revenue shortfall over the next two years, which will grow by billions of dollars if stay-at-home orders extend into the summer months and beyond. Due to the immediate shortfall in revenue, city leaders have fewer funds to provide the essential services that residents rely on. A staggering nine out of 10 California cities may cut staff or decrease city services to residents, and nearly three in four cities report they may have to take both actions. To read more, click [here](#).

### **Liability Shield For Businesses Emerges As New Fight Over Reopening**

The business community is pressuring the White House and Congress to shield companies from lawsuits as they seek to reopen, setting up a politically charged battle as coronavirus restrictions around the country begin to ease. As Congress considers more legislation to jolt the economy back to life, Democrats, labor unions and trial attorneys have voiced fierce opposition to a liability shield for employers. But top Republican lawmakers and the Trump administration appear eager to extend businesses of all sizes a layer of legal protection from any coronavirus-related litigation. To read more, click [here](#).

### **States Weigh Workers' Comp For Frontline Workers Against The Cost**

State policymakers praising the heroic efforts of frontline workers are quietly making grim calculations about which professions should gain access to lost wages, hospital bills or even burial costs — changes [estimated to top \\$11 billion](#) in California alone. At least five smaller states have made it easier for high-risk workers such as doctors, nurses and firefighters to claim workers' compensation benefits. But broad proposals have run into fierce headwinds in populous, high-cost states like Illinois, California and New York, where businesses and public employers alike warn such changes could thrust them into bankruptcy or force them to slash public services when they're already teetering financially. To read more, click [here](#).

### **Travel Limits, End To Vacation Buy-Back Directed For State Agencies As California's Recession Hits**

The California Department of Finance urged state agencies on Thursday to take "[immediate actions](#)" to cut spending and identify savings in preparation for a years-long recession caused by the coronavirus. Executives were directed in a memo sent by the finance department to cut unnecessary travel both in and out of California and cancel annual leave and vacation "buy back" in the 2019-2020 fiscal year. Departments are also barred from entering into new goods and service contracts unless they are coronavirus-related and cannot make any cost-increasing changes to existing agreements. Agencies also were asked to "use discretion when filling vacancies" and to assess whether additional staff are needed for positions or whether there's flexibility in the existing workforce. To read more, click [here](#).

### **Could Digital Contact Tracing Help In The Fight Against Coronavirus?**

Contact tracing has been used by medical professionals as a way to track the spread of contagious diseases for years. Here's how it normally works: When someone tests positive, tracers work backwards to determine who that person has been in contact with to figure out who else may have been exposed and infected. But human memory is limited. Most people can't recall every single person they've interacted with in the days or weeks since becoming ill. To read more, click [here](#).

Our next update will be on Monday, May 4.

**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.*