

## COVID-19 Update From EKA – May 6, 2020

### Stay At Home Order Day 49

Today is day 49 of the [statewide "Stay-at-Home" Order](#). 57 days ago, the World Health Organization declared COVID-19 a Pandemic. Safer at Home orders have been in place in Los Angeles since March 19 and are set to expire May 15.

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](#).

## LOS ANGELES COUNTY

### County Health

The Los Angeles County Department of Public Health Public Health is planning for recovery and relaxing select directives of the Safer at Home Order. As relaxing occurs, businesses and residents will need to continue to observe and practice physical distancing requirements and infection control precautions. Physical distancing, wearing cloth face coverings, frequent hand washing, self-isolation and self-quarantine will continue to be very important throughout the foreseeable future. An interactive dashboard is available that provides an overview on COVID-19 testing, cases and deaths along with maps and graphs showing testing, cases and death data by community poverty level, age, sex and race/ethnicity. Click [here](#) to view Public Health's COVID-19 Surveillance Dashboard.

### Branded Face Masks for Employees

As noted above, face coverings are likely going to be required for some time after the Safer at Home restrictions are lifted. Several people have asked EKA where they can purchase face coverings with customized company logos and designs. We are aware that several of our clients have used [Impress Communications](#) in the San Fernando Valley. Impress partnered with [Breathing America](#) and is has commercial-grade washable and breathable face coverings in stock that meet the [CDC guidelines](#). The EKA clients who have created branded face coverings with their company logos are very happy with the product from Impress. If you would like to contact Impress regarding face coverings, click [here](#).

### Mandatory Masks on Metro Buses, Trains

Supervisor Janice Hahn is urging Metro to require face coverings for everyone riding buses and trains, in order to protect drivers and passengers from the coronavirus. An existing public health order requires customers to wear face coverings at grocery and drug stores and other essential businesses. However, Metro has given bus drivers the responsibility to decide whether to allow passengers on Board without masks or scarves covering their faces. Hahn asked the Metro CEO to take action immediately rather than waiting for the Board's next meeting, set for May 28.

### County Webinar

The Los Angeles County Center for Financial Empowerment (CFE) is having a CFE COVID Conversations webinar today at 2 pm. For more information, click [here](#).

## CITY OF LOS ANGELES

The items EKA tracked for yesterday's Council meeting passed. Item 20 (Senior Meals Loan) was passed with an amendment from Councilmember Krekorian. We will share the amendment once posted. As a reminder, there is another Council meeting today that we will be monitoring.

### May 5 Council Meeting Agenda Items

16	Renew the Mayor's Declaration of a Local Emergency	<a href="#">20-0291</a>	Passed w/no discussion
20	Consideration of motion relative to establishing the Senior Meal Delivery fund as a temporary loan for COVID-19 response.	<a href="#">20-0530</a>	Passed as amended.
32	Motion and resolution relative to establishing a grant program for local equity applicants or licensees to assist with startup and ongoing costs, provide technical and business development assistance, and to provide workforce development assistance to local Social Equity Program applicants and participants.	<a href="#">20-0521</a>	Passed w/no discussion

### Free Legal Advice

The Mayor said a new coalition of attorneys will provide free legal services to residents facing hardships because of the coronavirus crisis. L.A. Represents will bring together law firms to help domestic violence victims, renters or residents facing employment, consumer debt or bankruptcy issues. For more information, click [here](#).

### Reopening Los Angeles

During his daily briefing, the Mayor said he is planning on speaking later this week about some businesses and facilities that could reopen soon. He repeated his message from Monday that the city would not make changes to its Safer at Home orders until a consensus is reached with county health officials and neighboring cities. However, he said wholesale flower distributors have been allowed to reopen under certain circumstances because they are exempt from the state's COVID-19 orders as agricultural businesses. The Mayor said the flower markets are being monitored and they could be shut down if they do not follow the city's social distancing guidelines.

### Coronavirus-Homeless Testing

Councilman Mitch O'Farrell introduced a motion to provide free COVID-19 testing on-site at all permanent and temporary homeless shelters. The motion would direct the city's homeless

coordinator to work with all relevant city departments and the County of Los Angeles to provide the testing. As noted in previous updates, Mayor Garcetti announced last week that free COVID-19 testing is available to all Los Angeles residents, but people with symptoms and first responders are still prioritized.

## SACRAMENTO

### The Road to Reopening

Along with the [State's COVID-19 Report Card](#), the Governor announced that he would release new guidelines on May 7. The guidelines will provide a framework to counties and cities to begin moving into the early phases of Stage Two of the [four-stage reopening process](#) (i.e., the opening of specific lower risk workplaces with modifications and adaptations). Conditions vary widely across California. Here are the answers to some common question we are receiving:

- **Which Services Can Reopen?**  
Retail designated as low-risk can reopen by Friday for curbside pickup: Florists Book stores Clothing outlets Music stores Sporting goods stores Toy stores.
- **Which services are open?**  
Essential services, including banking and pharmacies. Food to include grocery stores and supermarkets, farmers' markets and food banks, convenience stores, restaurants for takeout and delivery.
- **What's still closed?**  
Large public events and gatherings — think concerts and sporting events Entertainment venues Bars and nightclubs Convention centers Dine-in restaurants Hair and nail salons Gyms and fitness studios Shopping malls. The Governor has been clear other types of businesses like restaurants or office workplaces will not be allowed to open in this next phase.

### DMV

A few of our readers have asked about the status of the DMV. The DMV hopes to begin reopening field offices later this month. The DMV continues to encourage customers to renew their vehicle registration and complete vehicle transfers online or by using the [DMV Virtual Field Office](#). Customers can also use the [Service Advisor](#) on the website to learn about their options to complete DMV tasks. The latest [DMV actions during the COVID-19 pandemic](#) are listed on their website under "Press Releases" and include:

- Temporarily closing field offices and launching the DMV Virtual Field Office to create new digital options for transactions that previously required an in-person office visit.
- Extending all driver licenses that expire between March 1 and May 31, 2020.
- Keeping expiring commercial driver licenses, endorsements and certificates valid through June 30, 2020.
- Temporarily waiving required in-person renewals for eligible driver license and identification cardholders with expirations in March, April, and May 2020.
- Canceling all behind-the-wheel drive tests to honor social distancing guidelines.
- My office remains accessible to the public [online](#) and via phone at [\(626\) 351-1917](tel:6263511917).

## NATIONAL

### **EEOC States That Employers May Administer COVID-19 Tests Before Permitting Employees To Enter The Workplace**

In a significant development for businesses planning to reopen, the [Equal Employment Opportunity Commission](#) (EEOC) has advised employers that they may administer COVID-19 tests to employees before they enter the workplace. The EEOC has previously taken the position that before permitting employees to enter the worksite, employers may, among other things, 1) ask employees if they have been diagnosed with or are experiencing symptoms of COVID-19; 2) measure an employee's body temperature; and 3) require employees to stay home if they exhibit COVID-19 symptoms (including an elevated temperature), if they have tested positive for COVID-19, or if they have been exposed to COVID-19. But now, the EEOC has [made clear that](#), because individuals with COVID-19 pose a direct threat to others, employers can "administer COVID-19 testing to employees before they enter the workplace to determine if they have the virus." The EEOC advises that "employers should ensure that the tests are accurate and reliable" and "may review guidance from the U.S. Food and Drug Administration about what may or may not be considered safe and accurate testing, as well as guidance from the Centers for Disease Control and Prevention or other public health authorities, and check for updates." When looking at potential tests, employers should also consider the incidence of false-positives or false-negatives associated with a particular test. Click [here](#) to view the guidance.

### **SBA Issues PPP Guidance On Laid-Off Employees Who Refuse To Be Rehired**

Businesses that received Paycheck Protection Program (PPP) loans can exclude laid-off employees from loan forgiveness reduction calculations if the employees turn down a written offer to be rehired, according to new guidance from the U.S. Small Business Administration (SBA), which warned that employees who reject offers of reemployment might find themselves ineligible to continue receiving unemployment benefits. The guidance was included among three new questions the SBA added to a PPP [frequently asked questions \(FAQ\) file](#) it maintains in consultation with Treasury. The new guidance is included in FAQs 40–42. The first of the new questions ask if a borrower's PPP forgiveness amount would be reduced if the borrower lays off an employee and then offers to rehire the employee, but the employee declines the offer.

According to the guidance, SBA and Treasury plan to issue a new rule excluding laid-off employees whom the borrower offered to rehire (for the same salary/wages and the same number of hours) from the loan forgiveness reduction calculation. The interim final rule will specify that a borrower may exclude an employee from loan forgiveness calculations if the borrower made a good-faith, written offer of rehiring and also documented the employee's rejection of that offer. The guidance does not specify what form that documentation should take. As EKA has heard from some of our clients, employees have been turning down offers to be rehired for the same jobs for a variety of reasons, one of them being that they are making more money in unemployment benefits than they do in pay at their jobs because the CARES Act temporarily provides an additional \$600 per week to people who have been approved for

California unemployment insurance. The new FAQ, however, warns that employees could be banned from receiving unemployment benefits if they turn down a reemployment offer.

### **OSHA Issues Industry-Specific COVID-19 Guidance**

As the discussion about reopening workplaces continues, employers are facing questions of how to deal with employees refusing to return, how to remain compliant with federal anti-discrimination laws, and how (or whether) to require employees to undergo temperature screening or even COVID-19 diagnostic testing. While these latter efforts to screen out sick employees can play a role in keeping workplaces safe, employers still face the logistical challenges of ensuring employee safety for those on the job. In that regard, the Occupational Safety and Health Administration (OSHA) has not to date set forth mandatory coronavirus-specific rules for workplaces operating or reopening during the pandemic. However, OSHA has recently issued guidance tailored to the [construction](#), [manufacturing](#), [restaurant \(takeout/pickup\)](#), and [retail](#) industries – as part of what the agency indicated will be a series of industry-specific alerts designed to keep workplaces safe. The OSHA and CDC guidance recommends creating a COVID-19 assessment and control plan, and outlines the following key components for such a plan:

- Designate a workplace coordinator responsible for identifying and implementing COVID-19 risk and prevention strategies.
- Establish engineering controls (such as reconfiguration or modification of communal work areas and workstations/processing lines). The guidance provides illustrations of "good" and "bad" workstation/processing line setups.
- Establish administrative controls (such as staggering shifts, adding additional shifts, providing visual cues regarding social distancing, encouraging workers to avoid carpooling, monitoring absenteeism, modifying sick leave policies as necessary to ensure ill workers are not in the workplace, cohorting workers on the same shift, establishing a system for employees to alert supervisors if they are experiencing COVID-19 symptoms or have been exposed to someone with COVID-19, and building in additional handwashing breaks).
- Educate and train workers/supervisors about how they can reduce the spread of COVID-19. The guidance provides links to the CDC's free, simple posters for downloading and printing in multiple languages.
- Clean and disinfect meat and poultry processing tools, including at least as often as workers change workstations or move to a new set of tools. The guidance provides a link to the EPA's list of registered disinfectants that have qualified as being effective against COVID-19.
- Establish protocols and provide supplies to increase sanitization in work and common areas, including bars and handles on doors, and any physical barriers used to separate workers.
- Screen and monitor workers, by establishing screening before entry, criteria for return to work of exposed/recovered workers, and criteria for exclusion of sick workers. The guidance cites temperature or verbal symptom screening (along with reminders about PPE and other qualifications that may be necessary for those performing the

screening). The guidance also covers how to handle confirmed COVID-19 cases and reintegrate recovered workers consistent with CDC guidance.

- Consider all PPE-related obligations, such as conducting hazard assessments, training on proper PPE, providing proper PPE (including, potentially, face shields), considering allowing voluntary use of filtering facepiece respirators (such as an N95) even if not normally required, and addressing PPE needed for any additional sanitization and cleaning protocols in place.

To view OSHA's Guidance on Preparing Workplaces for COVID-19, click [here](#).

### **AICPA Makes PPP Loan Forgiveness Recommendations**

The Association of International Certified Professional Accountants issued a series of recommendations it would like to see the U.S. Small Business Administration (SBA) adopt and issue as guidance for small businesses to use in calculating loan forgiveness under the PPP. In the release, the AICPA urges that:

- The eight-week covered period under PPP should align with the beginning of a pay period, not the date loan proceeds are received.
- The eight-week period should be flexible, with businesses able to choose to commence it once stay-at-home restrictions are lifted instead of when loan proceeds are received.
- Full-time equivalents (FTEs) should be calculated using a simple wage-based proxy when hours worked are not tracked by the employer (e.g., for salaried workers or those paid by piece).
- Payroll reduction calculations should be based on an employee's average payroll per week in the eight-week period compared to the prior quarter, rather than comparing total compensation in the periods. Loan forgiveness is reduced if an employee's compensation decreases by more than 25% but an eight-week period will naturally have 33% less payroll than a 12-week quarter.

To review the AICPA release, click [here](#).

### **Federal Reserve Expands The Main Street Lending Program**

The Federal Reserve Board [announced](#) an expansion of the Main Street Loan Program and updated terms to the program's original offerings. The program is now comprised of the [Main Street New Loan](#) and [Main Street Priority Loan](#) Facilities. When the program opens, the Board will facilitate \$600 billion in loans to small and medium-sized businesses (See here for [FAQs](#)). Among other changes, the Board expanded eligibility for borrowers and lenders, modified interest and amortization terms, and provided more flexibility (and responsibility) to lenders.

## **WHAT WE'RE READING**

**Banks Have Been Fighting A Secret Robot War With Government Tech To Get To The Front Of The Line For \$670 Billion In Small Business Bailouts. Here's The Inside Story**

The Small Business Administration was called on to save America's economy over the past two months, administering \$670 billion in federal aid to beleaguered businesses. But the SBA's loan approval system, called E-Tran, was an obscure tool designed for low volume — and it kept crashing. In a normal year, E-Tran processes roughly \$20 billion in loans from fewer than 1,800 banks. By the time this crisis is over, the system is expected to dole out more than \$1 trillion in loans in just a few months from over 5,400 lenders. It's likely that E-Tran wouldn't have melted down to such a dramatic extent without the digital tools in the hands of large and small banks alike. To read the full story, click [here](#).

### **The Liberal-Moderate Rift Among Democrats Has Blown Open In California**

In an earlier era of California politics, Mike Eng would have been a safe bet to win a solidly blue state Senate seat. A dedicated liberal, Eng enjoyed the name recognition of having served in the state Assembly. He drew support from Assembly Speaker Anthony Rendon, a former protégé who rose to become one of the state's most powerful figures. Eng had the state's formidable organized labor movement in his corner. Democratic voters outnumbered Republicans three to one in the Los Angeles district, making a Democratic win a foregone conclusion. To read the full story, click [here](#).

### **Coronavirus Sparks New Fight Over California's Internet Privacy Law**

California Attorney General Xavier Becerra's office is gearing up to enforce the state's landmark internet privacy law, despite pleas from business groups that say they aren't ready because of the coronavirus pandemic. To read the full story, click [here](#).

### **'The New Normal': Ex-FDA Chief Warns U.S. May Not Be Able To Lower Coronavirus Infection Rate**

As states begin to reopen their economies, former Food and Drug Administration Commissioner Scott Gottlieb warned Tuesday that the U.S. might not be able to lower transmission of the [coronavirus](#) much more than the current rate, which has resulted in about 30,000 new cases a day. To read the full story, click [here](#).

### **Here's How The Small Business Loan Program Went Wrong In Just 4 Weeks**

Trish Pugh started an Ohio trucking company with her husband in 2015. Even for a small business, it's small — they had two drivers, counting her husband, until they let one go because of the coronavirus crisis. And so her company applied for a loan under the first, \$349 billion round of the Paycheck Protection Program, which the federal government had set up to rescue small businesses. To read the full story, click [here](#).

### **Newsom Administration Refuses To Divulge Nearly \$1-Billion Contract For Coronavirus Masks**

In a letter responding to a public records request from the Los Angeles Times, the Governor's Office of Emergency Services insisted the contract with BYD does not have to be made public, despite similar requests made by members of the Legislature since Newsom announced the deal last month. To read the full story, click [here](#).

### **Fewer players will be allowed once Nevada casino gambling resumes**

With new measures in place to prevent the spread of coronavirus, [Senators returned to Washington](#) on Monday. Soda machines were taped off, tables were spread out and basketball-size circles painted on the ground reminded visitors how far apart six feet is. Lawmakers were scheduled to take their first vote Monday night. To read the full story, click [here](#).

### **Did Coronavirus Escape From A Chinese Lab? Experts Suspect A Different, More Likely Source**

There has been a barrage of contradictory claims in recent days about how U.S. officials believe the coronavirus emerged from [the Chinese city of Wuhan](#), what evidence they have and when President Donald Trump was first briefed about it. To read the full story, click [here](#).

### **California Readies Army Of Coronavirus Detectives**

The Newsom administration has teamed with two universities to train more than 3,000 employees per week to become coronavirus detectives tracing the spread of the disease throughout California. To read the full story, click [here](#).

### **California Hospitals Cite \$14 Billion In Losses, Seek Aid**

[California](#) hospitals have suffered as much as \$14 billion in losses by postponing elective surgeries and other procedures to clear space in anticipation of a flood of coronavirus patients that never occurred, the hospital association said Monday in asking state lawmakers to immediately approve \$1 billion in financial aid. To read the full story, click [here](#).

### **COVID-19 Alters College Admissions**

Admissions may look different for students entering college in fall 2021. Social distancing to protect communities during the COVID-19 outbreak will impact where students attend classes and where they will live—and recent policy updates around standardized testing and GPA requirements will impact how colleges determine eligibility and placement in courses. But even as admissions become more flexible, some students still struggle to get on the path to college. To read the full story, click [here](#).

### **Coronavirus Vaccine Enters Human Testing in U.S.**

Researchers have begun giving healthy volunteers in the U.S. an experimental coronavirus vaccine developed by Pfizer Inc. and partner BioNTech SE, the latest study exploring a potential defense against the respiratory disease. To read the full story, click [here](#).

### **Trump Officials Ignored Coronavirus Warnings, Ousted Scientist Says In Complaint**

Top Trump administration health officials repeatedly ignored warnings in January and February about the need for masks and other protective equipment to prepare for a coronavirus outbreak, according to a detailed whistleblower complaint from a senior scientist ousted from his post last month. Rick Bright was abruptly removed in April as head of the Biomedical Advanced Research and Development Authority, a research agency within the Health and Human Services Department that, among other duties, was overseeing research on coronavirus vaccines. To read the full story, click [here](#).

### **NYPD Union Wants Police Out Of Social Distancing Enforcement**



The city's largest police union is demanding cops get "out of the social distancing enforcement business," while slamming New York cops for "releasing criminals," "discouraging proactive policing," and leaving subways "in chaos." "This situation is untenable: the NYPD needs to get cops out of the social distancing enforcement business altogether," a statement from Police Benevolent Association president Patrick Lynch said. To read the full story, 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.