

## COVID-19 Update From EKA – August 12, 2020

### Five Months Ago, The World Changed

Today is day 146 of the [statewide "Stay-at-Home" Order](#). 154 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.

### Previous EKA COVID-19 updates

Our previous COVID-19 updates can be found [here](#). Feel free to share our updates with friends and colleagues. We hope you find the information in the EKA updates and the questions they raise to be informative. If you have any COVID-19 government or communications questions, please reach out to any member of the EKA team. If you have a specific COVID-19 question, click [here](#) and we will attempt to answer it in our update

## LOS ANGELES COUNTY

### AT&T Low-Cost Internet

As California families and students prepare for distance learning, AT&T is expanding their Access from AT&T program, which provides home internet access to qualifying California households with at least one resident who receives Supplemental Nutrition Assistance Program (SNAP) or Supplemental Security Income (SSI) benefits for \$10 a month. AT&T does not charge a fee to apply or process applications and no deposit is required to establish Internet service under the program. Additionally, in response to COVID-19, Access from AT&T is temporarily:

- Expanding eligibility based on income and to households participating in the National School Lunch Program/Head Start.
- Waiving all home internet data overage fees.

Click [here](#) for more information about Access from AT&T.

### California Schools Unlimited Data Plan

Along with expanding its Access program, AT&T is providing internet access for distance learning. California schools can take advantage of an unlimited data plan on the AT&T Network. The offer includes a Wi-Fi hotspot that works with laptops and tablets. The plan comes with safety protocols, such as content filtering, to help students connect more securely to the internet. Click [here](#) for offer details

### LA County to Begin Offering Audio, Video Appearances for All Criminal Courts

Los Angeles County's court system is expanding audio and video court appearances for hearings to all 250 criminal courtrooms. The Webex service -- which had been in place in 32 courtrooms throughout the County -- will be available in each criminal courtroom at nearly two-dozen courthouses, according to the court. The program was initially launched in April, with defendants who were willing to waive their court appearances appearing via video from jail for arraignment. "The court has prioritized and expedited remote appearance options throughout the nation's largest trial court system to achieve social distancing and to provide safe, convenient alternatives to in-person court appearances during the COVID-19 pandemic,"

Presiding Judge Kevin C. Brazile said in a statement released by the court. ``By next month, Webex and LACourtConnect, the court-developed remote appearance solution, will be available in all litigation types throughout the court. For more information, click [here](#).

### **County's Health Officer Notice**

The County sent out emails to businesses reminding them that the [Safer at Work and in the Community Health Officer Order](#) requires that all businesses adhere to posted public health protocols, including those related to [social distancing](#) and other industry-specific protocols which can be found at <http://publichealth.lacounty.gov/media/Coronavirus/>. Also, all businesses are required to report to public health if they identify more than 3 cases of COVID-19 in the workplace within a span of 14 days. This cluster of cases must be reported to either of the following phone numbers: (888) 397-3993 or (213) 240-7821. Public Health will in turn initiate a cluster response which includes providing infection control guidance and recommendations, technical support and site-specific control measures. A public health case manager will also be assigned to the cluster investigation to help guide the facility in its response. Public Health offers a variety of other resources available at the link noted above such as [posters](#) for customers outlining physical distancing and infection control mandates, guidance on how to respond to a single case of [COVID in the workplace](#), and how to do employee or visitor [screenings](#) prior to entry to the worksite. The County will also be posting information shortly on how to deal with non-compliant customers.

## **LOS ANGELES**

### **LAX Stocks Vending Machines With PPE**

Guests at Los Angeles International Airport can now purchase personal protective equipment from vending machines located in the ticketing areas of most terminals to help keep them safe amid the COVID-19 pandemic. LAX said it has installed PPE vending machines in pre-security areas of the departures level inside Terminals 1, 2, 4, 5, 6, 7 and the Tom Bradley International Terminal. The machines all offer a touch-free payment option, such as tap-to-pay credit card or mobile payment platforms, including Apple Pay, Google Pay and Samsung Pay. Each vending machine also will have an anti-microbial shield installed on hard surfaces. All of the items available in the machines are Transportation Security Administration-compliant and can be taken through any of the security screening checkpoints. Products include hand sanitizer, face coverings and gloves as well as hygiene kits, thermometers, Ultraviolet-C sanitizers and over-the-counter medications, LAX stated. Products may vary by location. The vending machines are restocked daily, and many PPE products are also available for purchase at other retail locations post-security. For additional details, click [here](#).

### **DWP To Shut Off Utilities**

Mayor Garcetti said the Los Angeles Department of Water and Power will have the authority to shut off utilities to homes and businesses that host "egregious" gatherings amid the COVID-19 pandemic. The Mayor made the announcement after a gang-related shooting at a large party at a mansion in Beverly Crest north of Beverly Hills left a mother of three dead and two other people hospitalized. Garcetti said the house parties usually take place at short-term rental

homes, but the city's house party ordinance prohibits gatherings that could cause risks to people's health and safety. That law includes a series of escalating fines on both the party host and homeowner, as well as possible misdemeanor charges for repeat offenders. Garcetti said if the city's authorities see repeat offenses at a property, the city will be able to shut down that property's utilities within 48 hours of the violation. As detailed in [media reports](#), the police union spoke out against the Mayor's plan to turn off power and water at properties that repeatedly defy coronavirus health orders to avoid large gatherings.

## **SAN DIEGO**

### **County Approves Plan To Enforce COVID-19 Health Orders**

The County is beefing up the enforcement of its health orders to curb the spread of COVID-19 and is putting more money toward child care and food services to help people struggling during the pandemic. Under a plan approved by the Board of Supervisors, the County will spend \$1.8 million over the next six months for 22 staff members to respond to businesses violating the public health orders. The move is part of an effort for the County, rather than law enforcement, to take the lead in enforcing its health order. The violators targeted in the new effort are separate from those considered egregious violators, defined as a willful and sustained disregard of the county health order, posing a significant risk of spreading the virus. The County has already dedicated \$1.4 million to handle those more severe cases by funding a call center and developing a mobile phone application to help inspections, among other efforts. The action is the latest sign the County is taking a more aggressive stance toward violators of the health order, which has prohibited indoor activities for gyms, churches and restaurants, among other restrictions.

### **Enforcement**

County District Attorney Summer Stephan recently issued the area's first criminal charge against a business accused of violating the shutdown, leaving Ramona gym owner Peter San Nicholas facing five misdemeanors. County code enforcement officials also served closure notices or cease-and-desist orders to at least three other gyms last week. The newest actions also included creating structured multi-jurisdictional teams in coordination with individual cities to address violations of the public health order. The details of how jurisdictions on the teams will divide responsibilities are still being ironed out. The new call center collects reports from the public about compliance concerns, a task that had been conducted by the County's 2-1-1 hotline. In July alone, there were more than 4,000 reports to the hotline, county officials said Tuesday.

## **ORANGE COUNTY**

### **Six-Foot Distancing at OC Jails**

The US Supreme Court granted a request by Orange County sheriff officials to block a federal judge's order requiring physical distancing and other pandemic safety measures at the Orange County jails until the County's appeal of the order is fully heard. In a 5-4 decision, the court

postponed a May order by US District Judge Jesus Bernal requiring Sheriff Don Barnes' deputies and jail staff to keep inmates six feet apart and give them hand soap, hand sanitizer, access to daily showers and cleaning supplies so they can clean the areas they live in. Bernal's order came in response to a lawsuit by the American Civil Liberties Union (ACLU) after complaints by civil rights groups that health precautions for inmates weren't adequately implemented. Sheriff officials, who run the county jail system, appealed the order, saying they proactively put safety measures in place, like releasing half the inmate population to provide more social distancing, and "largely implemented to the extent possible CDC Guidelines." To read the court's ruling, click [here](#).

## **VENTURA COUNTY**

### **Restraining Orders**

The Board of Supervisors approved the use of restraining orders and other enforcement actions against individuals and businesses who refuse to comply with local and state health orders to control the spread of the coronavirus. The decision at a special meeting of the Board of Supervisors gave County Counsel Leroy Smith discretion to seek court enforcement of health mandates. The Ventura County supervisors met days after the pastor of Godspcak Calvary Chapel in Newbury Park said he would continue holding indoor services despite restrictions on large gatherings. Pastor Rob McCoy previously said he was willing to go to jail or have the church building seized rather than obey the rules, which he called "draconian," according to the Ventura County Star. Last Sunday, over a thousand people gathered at McCoy's church for a morning service. Under a county order mandated by the state, effective July 14, worship services can only be held outside. A judge denied the Ventura County government's request Tuesday for an order directing Sheriff Bill Ayub to immediately take necessary actions to close the church to prevent indoor worship services. The Judge said County residents depend on the Ventura County Sheriff's Office to "keep the peace" and that the Sheriff needs to be seen in a "neutral" role if the situation escalates and Sheriff's deputies must respond to enforce the law.

## **RIVERSIDE COUNTY**

### **Courthouses In To Remain Closed Indefinitely**

Four Riverside County courthouses that were shuttered almost five months ago due to COVID-19 will remain closed for an indefinite period. The Corona, Hemet and Temecula courthouses and the Moreno Valley Traffic & Small Claims Court were shut down on March 16, and despite ongoing plans to reopen them since late May, county Presiding Judge John Vineyard has decided to table a reopening schedule. According to a court statement, the extended closures stem from "an effort to comply with federal, state and local guidelines" for COVID-19 mitigation. Other courthouses countywide were reopened at the beginning of June. The Riverside Hall of Justice, Larson Justice Center in Indio and Southwest Justice Center in Murrieta never were closed, but hours were curtailed from mid-March to late May.

## **SACRAMENTO**

## **California Unemployment Benefits Extended**

Millions of Californians have lost their jobs and are relying on unemployment benefits. However, those benefits usually only last for a few months, which means many people are reaching the end. California's FED-ED program extends those benefits for another 20 weeks. Usually, unemployment benefits are paid by a combination of businesses, and both the state and the federal government. The FED-ED program relies on federal funds. Since the pandemic began the state's EDD office has processed more than 9.3 million unemployment claims. More than \$55 billion has been paid out as part of the usual unemployment program, but tens of thousands of people are already switching to the FED-ED program. There is no application for the FED-ED program. Instead, the state automatically checks [to see if you are eligible](#), then enrolls you in the program. If you are not eligible, then the state will notify you so you can appeal the decision if you believe it was made in error. To be eligible, the EDD says you must:

- Have a regular Unemployment Insurance (UI) claim that started on or after May 19, 2019.
- Used all benefits on your UI claim and the Pandemic Emergency Unemployment Compensation extension, or your claim has expired.
- Do not qualify for a new UI claim in California or any other state.
- Meet [UI eligibility requirements](#) and are not disqualified.
- Made enough earnings in the base period of your regular UI claim.

## **Proposed Legislation to Require Mandatory Reporting of COVID-19**

A bill to make it mandatory for employers to report cases of COVID-19 in their workplaces within 24 hours is moving through the state legislature with the backing of labor unions and the Latino caucus. [Assembly Bill 685](#), introduced by Assembly Member Eloise Gomez Reyes of San Bernardino, would require employers who learn their employees may have been exposed to COVID-19 to notify their employees, the Division of Occupational Safety and Health (Cal-OSHA), and the State Department of Public Health (DPH). Business groups, including the California Chamber of Commerce, are lining up against the bill, arguing it will be impossible to comply with it. Their main concern is unclear definitions of what it means to be exposed to the virus. The bill's language is still being worked out, but sponsors say it will include specific definitions for what an employer is required to report. According to the latest version of the bill, exposed to COVID-19 means: a positive COVID-19 test or diagnosis from a licensed health provider, a COVID-19 related order to quarantine or a fatality that could have been caused by COVID-19. The bill would also define "reasonable knowledge," but specifics are being determined.

## **REOPENING/CLOSING**

### **Schools Reopening Framework**

The California Department of Public Health released details on the process for elementary schools to request a waiver in order to resume in-person instruction in counties like San Diego which remain on the state monitoring list. To review the document, click [here](#).

### **California's New "Employer Playbook"**

As a reminder, the state released the [Employer Playbook for a Safe Reopening](#). The Employer Playbook provides detailed information for employers in an easy-to-read checklist format. The majority of the document is dedicated to explaining "what to do if there is a case of COVID-19 in the workplace." The guidance provides employers with checklists for how to prepare and respond to a COVID-19 outbreak, how and what to communicate with the local health department ("LHD") in the jurisdiction where the workplace is located, how to communicate with other workers, how to prevent further spread in the workplace, and when workers may return to work after isolation. The guidance places a great emphasis on working with the LHD. For example, an employer must take further steps at the direction of the LHD, which may include closing the worksite, deep cleaning, and permitting or requiring telework. Contact information for your LHD can be found [here](#).

The Employer Playbook elaborates on more strict recordkeeping requirements of California's Division of Occupational Safety and Health ("DOSH" or "Cal/OSHA") as compared to the Occupational Safety and Health Administration ("OSHA"). For example, California employers must report to Cal/OSHA within eight hours after the employer knows, or with diligent inquiry would have known, of any serious illness that occurred at work or in connection with work. An illness is "serious," if it requires inpatient hospitalization for other than medical observation or diagnostic testing. The Employer Playbook also provides information on enforcement and compliance (e.g., explains the role of the COVID-19 Enforcement Task Force), information for worker education at the workplace and at home (e.g., do not use any hand sanitizer that contains methyl alcohol due to its high toxicity), guidance on enforcing mask requirements (e.g., providing suggested language to use for de-escalation of conflict), case studies of what businesses are doing now to remain compliant (e.g., a packaged food company provided time for workers to clean before and after shifts), and links to the resources referenced throughout the document.

### **California Health Officials List Conditions For An Elementary School Waiver**

The California Department of Public Health [issued information](#) on what it would take for elementary schools to open for in-person instruction in counties where schools otherwise would be closed because of high rates of the coronavirus infection. The new requirements are extensive, and the [sample application form](#) is lengthy. County public health directors will have the latitude to phase in schools' plans and limit the number of schools that can open in their counties. The state document also recommends, with a passage in bold print, that county health departments prohibit any exceptions in counties where the numbers of coronavirus infections are more than 200 cases per 100,000 population. That's twice the rate of the current threshold that puts counties on the school closure list and would rule out elementary school waivers [for 14 of the 38 counties currently on the state's monitoring list](#). They include hot spots Kern (429 cases per 100,000) and Los Angeles (338 cases per 100,000) counties, along with Riverside, San Bernardino, San Joaquin and Santa Barbara counties. Fresno County is close to the threshold.

## **LEGAL DEVELOPMENTS**



### **Federal Court Blocks "Public Charge Rule" While COVID-19 Emergency Lasts**

On August 3, 2020, in [State of New York v. US Department of Labor](#), a federal district judge in the Southern District of New York held that four parts of US Department of Labor (DOL) regulations under the Families First Coronavirus Response Act (FFCRA) are invalid. Specifically, the court stated that the DOL had exceeded its authority in (1) excluding employees whose employers do not otherwise have work for them; (2) broadly defining the meaning of "health care provider"; (3) requiring employer consent to an employee taking FFCRA leave on an intermittent basis; and (4) requiring that an employee provide documentation prior to taking leave. While the DOL will likely appeal the decision and it may be overturned in whole or in part, employers who receive leave requests should keep in mind that these parts of the DOL regulations have now been found by one court to be invalid. Perhaps most importantly, health care providers should consider the impact of the decision before excluding certain employees from the benefits of paid FFCRA leave. As noted, the District Court's position is not the final word on the matter. There may be further motions to be decided by the District Court, the District Court's decision may be overturned on appeal, or other courts may disagree and uphold the DOL regulations. DOL may re-issue the regulations after further deliberation and then seek to defend the regulations on a different legal basis. However, employers should consult with counsel when leave requests are sought *before* relying on the DOL Final Rule and be particularly concerned when relying on the DOL's interpretation of work availability, the definition of a "health care provider," requests for intermittent leave, and employee documentation required prior to leave.

### **Lowe's Customer Filed A \$20 Million Lawsuit**

A Lowe's shopper is suing the home-improvement giant, seeking at least \$20 million, alleging that another customer spat on him during an argument over the chain's mask policy. John Birke visited a Lowe's store in West Hills around noon on June 28, donning a Joe Biden 2020 face mask. California was 10 days into Gov. Gavin Newsom's mandatory mask order for indoor public spaces. [The suit, filed in mid-July](#), said Birke was looking to purchase an elevated toilet seat because his wife, a 72-year-old cancer survivor with asthma and chronic obstructive pulmonary disease, was about to undergo hip-replacement surgery. It also said Birke had lived with asthma for over 56 years. As he shopped, Birke confronted a man who wasn't wearing a face covering. When the man refused to wear one, Birke asked two Lowe's employees to intervene, but they declined, and Birke told the man he was calling the police and dialed 911, the lawsuit said. The maskless shopper then spat in Birke's face four times "in rapid succession," the lawsuit said, adding that while a nearby employee said, "You just spit in his face," nobody helped. Lowe's said earlier this summer that customers would be asked to wear masks. "For the safety of everyone in our stores, we ask that customers wear masks, and to make this new standard less restrictive, we will make masks available to those who need them," CEO Marvin Ellison said in a [statement](#) on July 17.

### **Manhattan Beach's Short-Term Rental Ban Voided**

The Los Angeles Superior Court voided Manhattan Beach's short-term rental law, ruling that the legislation violates the California Coastal Act. The court ordered the city to either rescind a ban

on short term rentals in the city or submit a coastal zone-specific ordinance to the Coastal Commission for review. Prohibiting stays shorter than 30 days doesn't align with the Coastal Act's goal of protecting shoreline access, including overnight access, according to the court decision. The city still has local control over commercial areas in the coastal zone, the decision reads. Manhattan Beach currently requires permits for short-term rentals in commercial zones, city attorney Quinn Barrow wrote in an email Tuesday, including within the Coastal Zone. A judgment hearing is set for August 25. Once the decision is formalized, Barrow added, the City Council will consider appealing it.

## NATIONAL

### High-Touch Communal Items

The Centers for Disease Control and Prevention urges employers to block off shared spaces and "replace high-touch communal items, such as coffee pots, water coolers, and bulk snacks, with alternatives such as prepackaged, single-serving items." Click [here](#) to view the CDC guidance. [Vending Times reported](#) that only 29% of employed coffee drinkers had a coffee maker available at work in 2020, while only 24% had a single-serve brewer available.

### Treasury Issues New FAQs On PPP Loan Forgiveness

The Small Business Administration (SBA), in consultation with the US Treasury Department, issued new guidance through [Frequently Asked Questions](#) (FAQs) aimed at helping Paycheck Protection Program (PPP) borrowers navigate maximum loan forgiveness. The new PPP FAQs came days before the August 8, 2020, deadline to apply for a PPP loan, and as Congress and the White House negotiate a new COVID relief package expected to both simplify PPP loan forgiveness and create a new round of PPP loans. Practically every lobbying group in Washington is urging Congress to allow borrowers of loans under \$150,000 to simply self-certify, or "check the box," they have used the loan money as intended, and allow borrowers to receive a second PPP loan if they can show year-over-year losses in revenue somewhere between 20% and 50%. Most PPP borrowers are now eligible to apply to have their loans forgiven and, in essence, converted into grants. Borrowers need to apply through their lenders using SBA forms or a lender provided application. The lender will have 60 days to review and approve the application before submitting it to the SBA, which will have 90 days to review it. The SBA may ask the lender or the borrower for additional information before making a determination to forgive all or a portion of the loan. The following are the key questions and answers boiled down from the 10 pages of Treasury FAQs:

#### 1. How do I submit my PPP loan forgiveness application?

In an effort to facilitate the process for sole proprietors, independent contractors, or self-employed individuals with no employees, the guidance explains you can use [SBA Form 3508EZ](#) or the lender equivalent. While Form 3508EZ is not quite a "check the box" scenario, it is far easier to understand than [SBA Form 3508](#), which would likely require the assistance of a lawyer or CPA. The assumption here is that no employees, other than the owner, were used to calculate the amount of the loan on the front-end application. The PPP FAQs also clarifies that all PPP lenders may accept scanned copies of signed loan forgiveness applications and



documents containing the information and certifications required by SBA forms 3508, 3508EZ, or a lender equivalent. This avoids the need for any in-person meetings between borrowers and lenders.

## **2. Will I be responsible for payments of principal and interest while I wait for the PPP loan forgiveness decision?**

The FAQs address a common question as to whether borrowers need to make payments while they await a forgiveness decision and will they be responsible for interest accrued during this period. The guidance makes clear the answer is no. As long as you submit a loan forgiveness application within ten months of the covered period and the loan is fully forgiven, you will not be responsible for any payments. If, however, all or part of the loan is not forgiven, you will be responsible for repayment of that portion over the term of loan, now up to five years. And, yes, the interest accrued from the time of the disbursement of the loan on the amount not forgiven will also need to be repaid in this scenario. Your lender will notify you if a portion of your loan and interest needs repayment and when the first payment is due.

## **3. How do I determine which payroll cycles are included in PPP loan forgiveness?**

Many borrowers remain confused about when payroll costs need to occur to count towards loan forgiveness. The short answer is if payroll is incurred during the covered period, but your usual payroll run occurs after the end of the covered period, it will still count towards forgiveness. The FAQs provide the following example: *A borrower received its loan before June 5, 2020, and elects to use a 24-week Covered Period. The borrower's Covered Period runs from Monday, April 20 through Sunday, October 4. The borrower has a biweekly payroll cycle, with a pay period ending on Sunday, October 4. However, the borrower will not make the corresponding payroll payment until the next regular payroll date of Friday, October 9. Under these circumstances, the borrower incurred payroll costs during the Covered Period and may seek loan forgiveness for the payroll costs paid on October 9 because the cost was incurred during the Covered Period and payment was made on the first regular payroll date after the Covered Period.* Likewise, on the front end of the loan, if payroll expenses were incurred prior to the covered period, yet paid during the covered period, they are forgivable. You should note that under no circumstances can the covered period extend beyond December 31, 2020.

## **4. How do I calculate employee compensation for PPP loan forgiveness?**

The next big question is what employee compensation is included in the forgiveness equation. First, the guidance clarifies that when calculating cash compensation, borrowers should use the gross amount before deductions for taxes, employee benefits payments, and similar payments. Second, payroll compensation includes tips, commissions, bonuses, and hazard pay, but the maximum forgivable compensation is \$100,000. The key takeaway here is the issue of hazard pay, which allows employers to additionally compensate employees during the COVID shutdown and have that compensation forgiven. Third, expenses for group health care benefits paid by the employer, and not the employees, are considered payroll costs that are eligible for loan forgiveness. Again, payments for these benefits must occur during the covered period for forgiveness. Fourth, employer contributions for employee retirement benefits that are paid or incurred by the borrower during the covered period are considered compensation and eligible

for forgiveness. Retirement plan payments deducted from payroll or paid directly by employees are not forgivable.

### **5. How do I calculate the loan forgivable amount for compensation if I'm a sole proprietor, an independent contractor, or self-employed?**

Despite the extension of the covered period from eight to up to 24 weeks, there remain questions on how to calculate the forgivable amount for sole proprietors, independent contractors, and self-employed individuals without employees. Originally, forgivable compensation for this category was capped at \$15,385. However, if the loan amount was calculated on \$100,000 compensation, the borrower would have received \$20,833. (This number is derived from a monthly compensation of \$8,333.33 multiplied by 2.5, as proscribed for determining the loan amount.) The difference between \$20,833 and \$15,385 left a gap of roughly \$5,000, and for many solopreneurs with little overhead, a rather sizeable loan amount to repay. Recent regulations have fixed this issue by making the cap \$20,833. So, for most borrowers, if the covered period is extended beyond eight weeks, they would easily meet this threshold without needing to include non-payroll expenses in the equation and have their entire loan forgiven. The new guidance does stipulate that for borrowers who received loans prior to June 5, and who use an eight-week covered period, the cap will remain \$15,835. Borrowers are also eligible for loan forgiveness for payments for employer state and local taxes paid by the borrowers and assessed on compensation, for employer contributions for employee health insurance, and for employer retirement contributions to employee retirement plans.

### **6. How do I calculate non-payroll costs for PPP forgiveness?**

The PPP FAQs further explain how to calculate non-payroll costs for forgiveness. Like payroll, covered expenses for rent, mortgages, utilities, and interest on loans incurred prior to the covered period, yet paid during it, are forgivable. Likewise, if these expenses are incurred during the covered period, but the next payment cycle occurs after the covered period, those too will be forgivable. Many borrowers have wondered if interest on unsecured credit was eligible for loan forgiveness. The guidance states that while payments of interest on business mortgages on real or personal property, such as an auto loan, are eligible for loan forgiveness, interest on unsecured credit is not eligible for loan forgiveness because the loan is not secured by real or personal property. While interest on unsecured credit incurred before February 15, 2020, is a permissible use of PPP loan proceeds, this expense is not eligible for forgiveness.

### **7. How do I calculate PPP forgiveness if I had a reduction in workforce or wages?**

The guidance attempts to address the complicated issue of having forgiveness reduced due to reduction in head count or the inability to rehire or hire new employees. As the PPP program was intended to keep workers on the payroll, originally you would be responsible for a reduction in payroll in excess of 25% of the loan amount. Recent regulations have changed this and the FAQs reiterate the following: *In calculating its loan forgiveness amount, a borrower may exclude any reduction in FTE employees if the borrower is able to document in good faith the following: (1) an inability to rehire individuals who were employees of the borrower on February 15, 2020; and (2) an inability to hire similarly qualified individuals for unfilled positions on or before December 31, 2020.* Further, you are required to inform your state unemployment

insurance office if an employee rejects a rehire offer within 30 days of the rejection. All offers to rehire should be in writing and, if possible, written rejections of offers should also be in writing. Attempts to hire new employees should be in writing as well. Finally, if you reduce the compensation of existing employees in excess of 25% of their salary, the amount over 25% will not be forgiven. This includes both salaried employees and hourly workers. For purposes of calculating the loan forgiveness reduction required for salary/hourly wage reductions in excess of 25%, you should only include the decrease in wages, and not include other forms of compensation, such as health care or retirement contributions.

## QUESTIONS EKA HAS RECEIVED

### **Should People Wear Face Shields Instead Of (Or In Addition To) Face Masks?**

The [CDC](#) does not recommend using plastic face shields for everyday activities or as a substitute for face masks. There are a few exceptions, such as for those who are hearing-impaired and rely on lip-reading or those who have physical or mental health conditions that would be exacerbated by wearing a cloth face mask. "Cloth face coverings are a critical preventive measure and are most essential in times when social distancing is difficult," the CDC says. Clinical and laboratory studies show cloth face coverings reduce the spray of droplets when worn over the nose and mouth – what the CDC refers to as "source control." And many people are contagious even when they don't have any symptoms and don't know they're infected. If someone must use a face shield without a mask, the CDC says the shield "should wrap around the sides of the wearer's face and extend to below the chin. Disposable face shields should only be worn for a single use. Reusable face shields should be cleaned and disinfected after each use."

## WHAT WE'RE READING

### **LA County Paying PR Firms \$1.9 Million To Help Guide COVID-19 Messaging**

Despite having a fully staffed county communications team, FOX 11 has exclusively obtained contracts showing Los Angeles County is spending \$1.9 million to hire two public relations firms for the purpose of guiding the County's coronavirus messaging. To read the full story, click [here](#).

### **California Bill Would Notify Workers of COVID Exposure**

A California bill supported by labor unions and opposed by business groups would force employers to quickly notify employees and health officials if a worker is exposed to coronavirus. Under Assembly Bill 685, sponsored by The California Labor Federation and United Food and Commercial Workers, public or private employers would face fines up to \$10,000 for failing to provide notifications of exposure within 24 hours. Failure to provide any of the notifications would be a misdemeanor, under the bill authored by Eloise Gómez Reyes (D-San Bernardino) and promoted by Robert Rivas (D-Hollister) and Lorena Gonzalez (D-San Diego). To read the full story, click [here](#).

## **Putin Says Russia Has Approved 'World First' Covid-19 Vaccine. But Questions Over Its Safety Remain**

Russian President Vladimir Putin announced the approval of a coronavirus vaccine for use on Tuesday, claiming it as a "world first," amid continued concern and unanswered questions over its safety and effectiveness. "A vaccine against coronavirus has been registered for the first time in the world this morning," Putin said on state TV. "I know that it works quite effectively, it forms a stable immunity." Putin added that one of his daughters had already taken it; he said she had a slightly higher temperature after each dose, but that: "Now she feels well." To read the full story, click [here](#).

## **Scientists Uneasy As Russia Approves 1st Coronavirus Vaccine**

Russia on Tuesday became the first country to approve a coronavirus vaccine, a move that was met with international skepticism and unease because the shots have only been studied in dozens of people. President Vladimir Putin announced the Health Ministry's approval and said one of his two adult daughters already was inoculated. He said the vaccine underwent the necessary tests and was shown to provide lasting immunity to the coronavirus, although Russian authorities have offered no proof to back up claims of safety or effectiveness. To read the full story, click [here](#).

## **Who's First In Line For A COVID-19 Vaccine? The Debate Begins**

Who gets to be first in line for a COVID-19 vaccine? US health authorities hope by late next month to have some draft guidance on how to ration initial doses, but it's a vexing decision. "Not everybody's going to like the answer," Dr. Francis Collins, director of the National Institutes of Health, recently told one of the advisory groups the government asked to help decide. "There will be many people who feel that they should have been at the top of the list." To read the full story, click [here](#).

## **When Can We Expect A Safe, Reliable Vaccine? Here's Where The Science Stands**

With the world waiting for a coronavirus vaccine, scientists know the stakes couldn't be higher. Three vaccines are in phase 3 of human clinical trials, which ensure effectiveness but also safety — a crucial element as an accelerated timeline, mounting numbers of cases and deaths and no shortage of misinformation have added enormous pressure to the process. Any approved vaccine will be the subject of intense scrutiny. To read the full story, click [here](#).

## **LAPD Union Stands Against Garcetti's Authorization To Shut Off Utilities**

The Los Angeles Police Department officers' union is pushing back against the potential use of officers in Mayor Eric Garcetti's efforts to shut off utility service at homes hosting large parties. "Mayor Garcetti wants to reimagine policing. He should send his civilian staff to turn off people's electricity & cut off their water," the union stated. "Let officers deal with the rise in shootings and killings in LA. We need a leader and not a political contortionist." To read the full story, click [here](#).

## **Has The Legislature Reduced Its Bill Load?**

Has the California Legislature reduced the number of bills it is considering and voting on this Session due to the pandemic and their two lengthy shutdowns? This is the first question being discussed in and out of the State Capitol the past few months. And, the answer is a resounding yes. The second question being discussed the past few weeks is which house of the Legislature has done a better job of reducing their respective bill load? That question is more difficult to answer. Let's take a look at the metrics. To read the full story, click [here](#).

### **New FAQs Address PPP Loan Forgiveness Issues**

The U.S. Small Business Administration (SBA), in consultation with Treasury, released guidance Tuesday answering 23 frequently asked questions regarding the forgiveness of Paycheck Protection Program loans. The FAQs, published in a new [10-page document](#), are divided into four sections addressing different aspects of the process and calculations PPP borrowers should use to determine how much of their loan is forgivable. Following is a brief description of each section and highlights from the guidance provided. To read the full story, click [here](#).

### **Buying Up Millions of Tests, 6 States Say They Can Crush Delays**

Across the country, as surging infection rates heighten anxiety over the virus, reports of delays and testing shortages have become all too common. While many providers have trouble meeting the volume of demand, however, the governors of six states said there is strength in numbers. Together with the Rockefeller Foundation, Louisiana, Maryland, Massachusetts, Michigan, Ohio and Virginia said Tuesday they will purchase 3 million antigen tests from Becton Dickinson and Quidel, both US manufacturers whose products have already been approved by the Food and Drug Administration. Each state will get 500,000 antigen tests said to deliver results in 15-20 minutes. To read the full story, click [here](#).

### **Event Producers Criticized for Holding Live Event About Loss of Live Events**

LA County Public Health officials are still discouraging large-scale gatherings amid the COVID-19 pandemic, but that didn't stop a July 23 in-person event hosting upwards of 90 event insiders who gathered to strategize and share insights on how to revive the decimated industry. Held at the Torrance, California headquarters of Ryan Choura's Choura Events, the program was billed as "The Future of Events: A Call to Good." It also included a wide-ranging discussion on topics including inequality and unemployment, but before panelists took center stage to kick off the conversation, the focus fell on how Choura and his team of staff and vendors (all of whom donated time and services) were able to pull off the gathering. To read the full story, click [here](#).

### **CDC Warns Of New Outbreak Of Life-Threatening Disease That Paralyzes Healthy Kids**

The CDC warned that it expects a new outbreak of a virus-linked disease called acute flaccid myelitis, or AFM. The disease, which resembles polio in the way it paralyzes otherwise healthy kids, spikes every other year around August. Parents and doctors should suspect any child with sudden limb weakness in the next few months may have the disease. To read the full story, click [here](#).

### **Feds Sign Agreements With Pfizer, Moderna For Millions Of Doses Of COVID-19 Vaccines**

The federal government has entered two agreements to secure millions of doses of potential COVID-19 vaccines. Public Services and Procurement Minister Anita Anand says Ottawa has signed deals with the pharmaceutical giant Pfizer and biotechnology firm Moderna. Pfizer will supply its BNT162 mRNA-based vaccine candidate, while Moderna will provide its mRNA-1273 vaccine candidate. To read the full story, click [here](#).

### **The Unique US Failure To Control The Virus**

Nearly every country has struggled to contain the coronavirus and made mistakes along the way. China committed the first major failure, silencing doctors who tried to raise alarms about the virus and allowing it to escape from Wuhan. Much of Europe went next, failing to avoid enormous outbreaks. Today, many countries — Japan, Canada, France, Australia and more — are coping with new increases in cases after reopening parts of society. Yet even with all of these problems, one country stands alone, as the only affluent nation to have suffered a severe, sustained outbreak for more than four months: the United States. To read the full story, click [here](#).

### **Faced With Dying Californians And Withering Businesses, Gov. Newsom Steers A Middle Path. Can It Last?**

As coronavirus infections and deaths rise dramatically, the Democratic governor navigates pressure to both tighten restrictions and ease up on businesses. To read the full story, click [here](#).

### **California Virus-Fighting Efforts Hampered By Data Delays**

California has stopped removing or adding to a list of counties facing more restrictions on businesses and schools as it tries to resolve a technical problem with the state's coronavirus testing database, health officials said. The state has recorded a highest-in-the-nation 525,000 positive tests. But California health officials say the true number is even higher. They don't know how much so until they can add backlogged testing data and fix the problem with the California Reportable Disease Information Exchange, also known as CalREDIE. To read the full story, click [here](#).

### **One death every 80 seconds: Here's the latest virus news around the US.**

Over the last seven days, a grim new COVID-19 calculus has emerged: one person died every 80 seconds from the coronavirus in America. And the pace at which those 7,486 people died appears to be accelerating. In July, a total of 26,198 deaths were reported, meaning one every 102 seconds. As of Wednesday morning, more than 158,000 people in the US had died of the virus since the start of the pandemic. To read the full story, click [here](#).

### **Can You Get The Coronavirus From Secondhand Smoke?**

Can you get the coronavirus from secondhand smoke? Secondhand smoke isn't believed to directly spread the virus, experts say, but infected smokers may blow droplets carrying the virus when they exhale. Being able to smell the smoke might be a red flag that you're standing too close to the smoker. The respiratory droplets people spray when they talk, cough or sneeze are



believed to be the main way the virus spreads. And people also exhale those droplets when smoking, as well as when they're vaping. To read the full story, click [here](#).

### **America's Coronavirus Endurance Test**

Donald Ainslie Henderson, known as DA to his colleagues, was the Babe Ruth of [public health](#). As a young epidemiologist with the Centers for Disease Control and Prevention, he cut his teeth during the 1957 H2N2 flu pandemic, which originated in Guizhou, China, and killed more than a million people before it could be curbed by a vaccine. In the nineteen-sixties and seventies, he led the effort to eradicate smallpox, finding clusters of people infected with the disease around the globe, tracing and isolating others who'd caught it, and providing vaccines to some of the world's poorest children. It's thanks to DA that we can now speak about smallpox in the past tense. To read the full story, click [here](#).

### **Pandemic Snafu: State Mistakenly Drops Medi-Cal Coverage For Some Low-Income Californians**

An error involving the state's automated system for Medi-Cal renewals triggered at least some of the drops in coverage, despite Gov. Gavin Newsom's orders that recipients remain on the rolls during the coronavirus crisis. To read the full story, click [here](#).

### **State Department Lifts Global Advisory On Avoiding International Travel Amid COVID-19 Pandemic**

The US State Department has lifted its advisory on avoiding international travel. The agency said Thursday in a press release that lifting the global health advisory, issued at the highest alert level – level 4 – March 19, was done in coordination with the Centers for Disease Control and Prevention. To read the full story, click [here](#).

### **California Unemployment Claims Fall For Second Straight Week**

California workers filed fewer first-time claims for unemployment last week, marking the second straight week for a decline in the pace of filings, federal officials reported Thursday, a hopeful sign in a time of coronavirus-linked business shutdowns. An estimated 228,500 workers in California filed initial unemployment claims during the week that ended on August 1, down about 16,000 from the prior week, the US Labor Department reported. To read the full story, click [here](#).

### **California Democrats Divided Over COVID-19 Stimulus, Millionaire Tax To Fund Economic Recovery**

It's a nightmare scenario for the state's Republican minority and business groups, which have already added the proposals to lists of "job killers" and issued familiar warnings that rich Californians will simply leave for lower-tax states. But other Democrats also oppose the new wealth tax — let alone multiple new taxes — amid a recession expected to drag on until at least 2023. They argue that labor unions stand to disproportionately benefit from new taxes, and that the state's already tenuous budget could be further derailed by major financial reforms. To read the full story, click [here](#).

## **Trump Signs An Executive Order To Encourage American Manufacturing Of Critical Health Care Supplies**

Mr. Trump signed on Thursday a long-awaited executive order that would require the federal government to purchase certain pharmaceuticals and medical supplies and equipment from American factories, in an effort to encourage more domestic manufacturing of critical health care products. ... It will require the federal government, including the departments of defense, veterans affairs and health and human services, to purchase drugs from American sources, though it also allows certain exemptions based on cost, availability and public interest. To read the full story, click [here](#).

## **Early Coronavirus Vaccine Supplies Likely Won't Be Enough for Everyone at High Risk**

Public-health officials estimate more than 100 million Americans, including doctors and nurses, other essential workers and nursing-home residents, should get vaccinated before the general public because they are at greater risk of exposure to the virus or of contracting more severe COVID-19 disease. They were widely expected to get the first supplies after a vaccine is cleared. Yet initial supplies look they will cover only a fraction of the high-priority groups, if a vaccine clears testing and is authorized this fall. To read the full story, click [here](#).

## **Bill Gates: Another Crisis Looms And It Could Be Worse Than The Coronavirus**

That's Microsoft MSFT, +1.60% co-founder Bill Gates urging the government to address climate change with the same "sense of urgency" as it has the coronavirus crisis. If the proper measures aren't taken, he wrote in a blog post this week, then the impact could be far more devastating. Gates put the mortality rate of coronavirus at about 14 deaths per 100,000. By the end of the century, if the emissions growth rate stays its current course, he said we could be faced with an extra 73 deaths per 100,000 people due to rising global temperatures. To read the full story, click [here](#).

## **House Leaders Blame Federal Mismanagement For Pandemic's Spread**

Six months into the Covid-19 pandemic and with three times the number of Americans dead from the novel respiratory virus than were killed in the Vietnam War, House Democrats slammed the Trump administration on Thursday for the lack of a cohesive 50-state strategy to end the crisis and repair a hemorrhaging economy. Five congressional committees delivered the 6-page assessment this morning jointly with the Select Committee on the Coronavirus Crisis, a unique oversight body that is modeled after the 1941 task force created by President Harry Truman to account for any waste, fraud and abuse that occurred in World War II military spending. To read the full story, click [here](#).

## **LA County Milestone: 200,000 Coronavirus Cases**

Los Angeles County may have passed the 200,000 mark for confirmed cases of Covid-19 among its 10 million residents this week, but due to a backlog with a state reporting system it was only confirmed Thursday. LA County Public Health officials announced 3,290 new confirmed cases of the virus and 48 new deaths. In total, 201,106 people have been infected with the novel coronavirus that causes the deadly Covid-19 disease. Of those, 4,869 people are dead.

### **Can Employers Be Liable For COVID-19 Cases?**

Legal claims based upon possible COVID-19 exposure in the workplace are increasingly being asserted. The family of a poultry plant worker who died from COVID-19 has sued Pilgrim's Pride Corporation claiming the worker contracted the virus at work. In Nevada, a Culinary Worker's local has filed a lawsuit alleging that three resorts have failed to adequately protect employees against contracting COVID-19 in the workplace. What are employers' obligations with respect to COVID-19, and to what extent may they be liable when their employees contract COVID-19? To read the full story, click [here](#).

### **States Have Authority To Fine Or Jail People Who Refuse Coronavirus Vaccine, Attorney Says**

As drug makers race to develop a vaccine against the coronavirus, several legal questions are emerging: could the government require people to get it? Could people who refuse to roll up their sleeves get banned from stores or lose their jobs? The short answer is yes, according to Dov Fox, a law professor and the director of the Center for Health Law Policy and Bioethics at the University of San Diego. To read the full story, click [here](#).

### **California Governor's Public Health Director Resigns**

California's top public health official has resigned, just days after the state announced a fix for a glitch that caused a lag in reporting coronavirus test results used to make decisions about reopening businesses and schools. Dr. Sonia Angell said Sunday that she's departing from her role as director and state public health officer at the California Department of Public Health. Her letter to staff, released by the California Health and Human Services Agency, did not give a specific reason for her departure. To read the full story, click [here](#).

### **Failure Wasn't An Option On Coronavirus Aid. It Was The Only Option**

No matter the actual need, there was never much chance Congress would agree to another major spending package for coronavirus relief this summer. That's because the most comfortable outcome for all of the negotiators was a failure, even as that left a few Republican senators in tough races twisting in the wind. To read the full story, click [here](#).

### **Multiple Errors By Newsom's Team Caused Massive Blockage In California Coronavirus Reporting System; 250,000-300,000 Records Still Delayed**

On Friday, California's top health official was sent out by his boss to face the music. Dr. Mark Ghaly, director of the state's Health and Human Services Department, held a news conference and admitted that multiple errors on the state's part had caused a backlog of 250,000-300,000 records in its case data reporting system. That system is used primarily to parse and distribute coronavirus data. He apologized not just to the public but, obliquely, to his boss, Governor Gavin Newsom. To read the full story, click [here](#).

### **Stimulus Check Missing \$500? IRS To Start Sending Parents Payments This Week**

The IRS will begin rectifying economic impact payment amounts for individuals who may not have received all that they were eligible for – and households can expect to receive the extra cash within the coming weeks. In guidance issued this week, the agency said it would begin issuing direct deposits for some people missing the \$500 per qualifying child on Wednesday and

sending paper checks and debit cards on Friday. The follow-up payment will be sent in the same manner that a person received his or her initial payment. To read the full story, click [here](#).

### **Researchers Created A Test To Determine Which Masks Are The Least Effective**

Schools are reopening, amusement parks are welcoming back visitors, and outdoor dining is the new way to eat out. But despite the signs that life is returning back to normal, the coronavirus pandemic has gone nowhere. That's why a group of researchers at Duke University created a simple technique to analyze the effectiveness of various types of masks which have become a critical component in stopping the spread of the virus. To read the full story, click [here](#).

### **Newsom Has Big-Name Pandemic Advisors. Critics Say: Where Are The Big Ideas?**

Faced with a pandemic that has put millions of Californians out of work and eviscerated businesses large and small, Gov. Gavin Newsom promised that "health and science" would guide state officials in repairing the economy and steering it toward recovery. But as Newsom rapidly reopened the state in May, he also received advice from an all-star roster of business titans. The Governor's Task Force on Business and Jobs Recovery is a 108-member group that counts former California governors, Apple Chief Executive Tim Cook, Disney Executive Chairman Bob Iger and former Federal Reserve Board Chairwoman Janet L. Yellen among its members. To read the full story, click [here](#).

### **Newsom Announces \$81M Grant For COVID Efforts, Says "No Money In Piggy Bank" For Trump Plan**

Gavin Newsom said California could not afford to pay its share of President Donald Trump's new expansion of unemployment benefits. According to President Trump's Executive Order on Saturday, the order would provide \$400 per week in additional assistance to Americans who are unemployed, \$300 of which would come from the federal government. The remaining \$100 would come from the states.

To read the full story, click [here](#).

**Note:** While EKA monitors governmental announcements, guidelines and recommendations, our updates are prepared for informational purposes and are compiled from publicly available sources. Our updates should not be considered health, medical, legal, or tax advice. Always consult a qualified professional regarding any specific questions you may have. All hyperlinks are live and will bring you to the information mentioned. If you are not interested in receiving future emails from us, then please reply with a "Remove" in the subject line and mention the email addresses to be removed.