

## Weekly COVID-19 Update From EKA – September 2, 2020

### Five ½ Months Ago, The World Changed

Today is day 167 of the [statewide "Stay-at-Home" Order](#). Safer at Home orders have been in place in Los Angeles since March 19. 174 days ago, the World Health Organization declared COVID-19 a Pandemic.

### 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

## REOPENING/CLOSING

### California New Reopening Plan

Last week Governor Newsom announced a new, color-coded process for reopening California businesses that is more gradual than the state's current rules to guard against loosening restrictions too soon. Counties will move through the new, four-tier system based on their number of cases and percentage of positive tests. It will rely on those two metrics to determine a tier: case rates and the percentage of positive tests. Newsom said the new system will be simple, slower and steady. It also invests more power with the state instead of the counties. The changes come nearly two months after Newsom shut down bars, restaurants for indoor dining and a slew of other businesses following a surge in cases after the state's first reopening attempt. The criteria for each tier will be uniform for all 58 counties in California, and the vast majority of counties — including all Southern California counties except San Diego — will begin in the first tier.

- **Tier 1, widespread transmission:** Most nonessential businesses must be closed. Counties in this tier have more than seven new COVID cases per 100,000 people per day and a coronavirus test positivity rate of 8% and above.
- **Tier 2, substantial transmission:** Some nonessential indoor businesses remain closed. Counties in this tier have between four to seven COVID cases per 100,000 people per day and a coronavirus test positivity rate of between 5%-8%.
- **Tier 3, moderate transmission:** Some businesses can open with modifications. Counties in this tier have 1-3.9 new COVID cases per 100,000 people per day and a coronavirus positivity rate of 2-4.9%.
- **Tier 4, minimal transmission:** Most businesses can reopen, with modifications. Counties in this tier have less than one new COVID case per 100,000 people per day and a coronavirus positivity rate of less than 2%.

In simple terms, the rules are about calibrating business activities with how widespread the virus is within counties. The more cases and positive tests, the tighter the restrictions on

restaurants, retail shops and other businesses. However, many details about how the process would work remained unclear. Under the new process, counties will have to meet certain metrics for three weeks before they can reopen certain businesses. Newsom didn't immediately say which businesses will be included in which color tier or what the reopening will look like. The state will now report virus statistics, such as case numbers, on a weekly basis. The approach is aimed at ensuring the state's cases don't skyrocket when businesses begin to reopen. The new tiers also dictate the reopening phase. Details regarding what's allowed to be open and what's closed under the [Blueprint for a Safer Economy](#). Find the status of activities in your county [here](#). Learn more about the different tiers and their impact on business sectors [here](#).

### Statewide Metrics

**10.9**  
New COVID-19  
positive cases  
per 100K

**6.0%**  
Positivity Rate



## LOS ANGELES COUNTY

### Property Tax Penalty Cancellation

Taxes paid on business personal property (machinery, equipment, and furniture) are due August 31. A late payment results typically in a 10% penalty. However, if you are unable to make a timely or complete payment due to the impact of the COVID pandemic, you may file a Penalty Cancellation Request with the County's Treasurer and Tax Collector. (NOTE: The Assessor's Office is not responsible for property taxes, only property valuation.) Important:

The Penalty Cancellation Request can only be filed once the deadline has passed. In this case, starting September 1, 2020. [Click here to file a request](#)

### **State Says Indoor Hair Salons Can Reopen, But L LA County May Not Allow It**

While state officials are no longer prohibiting hair salons and barbershops from operating indoors in Long Beach and Los Angeles County as a whole — but that doesn't mean those indoor spaces can start reopening. Los Angeles County, including Long Beach, is in the purple category. But the switch included one significant change for business reopenings: Indoor hair salons and barbershops are allowed to operate for every color grouping.

### **LA County, State Buck New CDC Guideline**

Last week, the CDC issued new guidance saying people who show no symptoms of the virus do not need to be tested, even if they have been in close contact with an infected person. The guidance was a sharp departure from previous guidance suggesting that anyone potentially exposed get tested. Los Angeles County officials persist in pushing residents to be tested if they think they've been exposed to COVID-19 — a policy at odds with new federal guidance downplaying the need for testing of people without coronavirus symptoms. The county's attitude was echoed by Gov. Newsom, who said flat-out, "I do not agree with the new CDC (Centers for Disease Control and Prevention) guidance. Full stop." In fact, Newsom announced an agreement aimed at vastly expanding the availability of testing statewide. Los Angeles County public health director Barbara Ferrer called testing the "heart and soul" of efforts to contain the Coronavirus and slowing community transmission of the illness. The LA County Department of Public Health continues to recommend that people who have been in close contact of someone who has tested positive for COVID-19 continue to get tested for the virus.

### **MIS-C In Children**

The health department confirmed additional cases of multisystem inflammatory syndrome, or MIS-C, in children, bringing the total to 28. The syndrome affects primarily children, but can be found in people up to age 20, resulting in inflammation of body parts including the heart, lungs, kidneys, brain, skin eyes and gastrointestinal organs, potentially having life-long health impacts. There have not been any deaths from the syndrome reported in LA County.

## **LOS ANGELES**

### **Telecommuting Incentives**

The City Council approved a motion to incentivize telecommuting options among private businesses. The motion seeks to encourage businesses to adopt remote work policies, allowing more workers to work from home, reducing commuter traffic, as well as carbon emissions and smog. The Council acted after seeing the results of the COVID-19 pandemic which has forced many businesses to adapt a remote work and telecommuting model. The motion instructs City departments and agencies to report back on the health and economic costs related to unhealthy levels of smog, carbon monoxide and fine particulate matter, also known as PM2.5, one of the most harmful forms of air pollution. The motion also seeks a cost comparison on telecommuting versus traditional work settings, including the cost of renting office space,

furniture and utilities. It further seeks financial and tax relief options to incentivize private industry to adopt flexible work schedules and increased telecommuting options.

### **City Departments To Go Digital**

Mayor Eric Garcetti signed an Executive Directive calling on every City department to relaunch public services in a contactless and easily accessible way, and requiring all departments to go digital. The Mayor's [Contactless Government Executive Directive](#) aims at making critical services available online to allow for better customer service, preserve public health, improve equity, and expand access to City government. While some departments have already started offering services without requiring face-to-face interaction, this directive requires all departments to develop a comprehensive plan to make contactless services the norm for the long term. The Executive Directive also lays the foundation for the roll-out of a universal login for LA residents, known as the Angeleno Account. This step will streamline the City services experience for LA residents. In the beta phase of its launch, the City's [LABAVN site](#) has 56,000 registered Angeleno ID users. The City's Information Technology Agency (ITA) will soon expand the platform to include all City services, including 311 and LADWP. To view the Contactless and People-Centered City Initiative, click [here](#). To view all the City of Los Angeles COVID-19 Emergency Orders, protocols, and guidance for businesses, click [here](#)

### **Worker Relief**

The City Council voted unanimously to use \$50 million of Los Angeles' federal CARES Act funding to provide people with two weeks pay if they are infected with COVID-19 and cannot work. The proposed program, similar to one in place in San Francisco, would ensure that all workers, regardless of their employment or immigration status, are able to self-quarantine if they get sick. The Council's action also requested that city staff on the Economic and Workforce Development Department and other city departments to report on the creation of a right-to-recover program and paycheck assistance program. Ryu and Council President Nury Martinez introduced the proposal in late July to assist low-income people who have tested positive for the Coronavirus and cannot work. Martinez said she wants to focus particularly on getting assistance to low-income people infected by the virus who were left out of the first round of the CARES Act. In April, the City Council enacted a paid leave policy that provided additional paid time during the pandemic for recovery, childcare and other needs.

### **LA Zoo Reopens**

After closing for 166 days due to the COVID-19 pandemic, the Los Angeles Zoo reopened with social distancing and sanitation measures in place. All guests, including members, must now reserve timed tickets online before visiting, and visitors must wear protective face coverings while at the zoo. People can select the specific day and time they want to visit. Upon completing a reservation, tickets will be sent by email. Tickets will be scanned from mobile devices or a printout at the entrance. Reserved time slots are held until 45 minutes after the hour. Once people arrive within that time frame, they can enjoy the zoo as long as they want, until the zoo closes at 5 p.m., the zoo stated. The last permitted entry is at 3:45 p.m. To ensure adequate physical distancing between guests; attendance is capped each day to limit the total number of guests. Zoo guest and Member Services will operate at a limited capacity on-site to

assist with ticketing and membership issues only. The zoo also asks guests to ensure they have everything they need before entering, as no re-entry will be permitted. To view more information about the zoo's reopening, click [here](#).

## **RIVERSIDE COUNTY & SAN BERNARDINO COUNTIES**

Inland Empire businesses as hair salons, barbershops and indoor malls can resume indoor operations under Gov. Gavin Newsom's new color-coded reopening plan to prevent further spread of COVID-19. Riverside County officials said the new format will not impact the school waiver process. It was unclear Friday if the same was true for San Bernardino County. Riverside and San Bernardino counties, included – are presently in the purple tier.

## **SACRAMENTO**

### **New Eviction Protections**

California renters financially impacted by the coronavirus pandemic will be protected from eviction until at least next February, while small landlords will be offered some foreclosure protections, under a measure approved by lawmakers and signed by Gov. Gavin Newsom late Monday night. The [deal](#) was passed by supermajorities in both state legislative chambers, with both Democrats and a handful of Republican lawmakers supporting the bill while pleading for additional federal intervention. A two-thirds vote of lawmakers was necessary for it to become law immediately upon being signed by the governor. A pause on California eviction court proceedings, put in place by the state Judicial Council, was set to expire September 2. The emergency measure, which Newsom and other backers have framed as a stopgap to buy time until the federal government steps in with more direct financial assistance, is the product of contentious negotiations between tenant groups, landlord interests, and bankers over who will be left bearing the financial brunt of missed rent payments precipitated by the pandemic. Starting February 1, eviction rules go back to normal. Miss your February 1 rent? You can be evicted, even if you got laid off because of COVID-19. Unable to come up with that 25% of missed rent between September and January? You can also be evicted. To learn more about the new legislation, click [here](#).

### **Cal/Osha Recommends Emergency Covid-19 Regulation**

On August 10, 2020, staff members of the California Division of Occupational Safety and Health ( Cal/OSHA) recommended that the Occupational Safety and Health Standards Board do the following: 1) promulgate an emergency COVID-19 regulation and 2) convene an advisory committee to determine whether a permanent regulation should be drafted to protect workers from novel pathogens. In support of its recommendation, Cal/OSHA cited a lack of regulations addressing infectious diseases for workers outside of healthcare settings, including alleged gaps in regulations governing PPE for construction workers and mining employees. In contrast, the legal staff for the Standards Board suggested that both the petition for the emergency COVID-19 regulation and the recommendations above be denied, citing the need to enforce existing regulations. They explained that new regulations would place additional regulatory burdens on California businesses that are already in compliance with the state's COVID-19 requirements

and guidelines. They also rationalized that the limited resources for enforcement should be focused on employers and sectors of the economy with deficient COVID-19 protections.

### **California's Coronavirus Spending At High Risk**

California is getting so much money from the federal government because of the Coronavirus — more than \$71 billion — that the state's auditor on Tuesday warned Gov. Gavin Newsom's administration it is at high risk of waste, fraud and abuse. In a letter to Newsom and legislative leaders, Elaine Howle said she was invoking a state law giving her authority to keep a close watch on 18 government agencies in charge of overseeing the spending. "The swift appropriation of federal COVID-19 funds, along with the prior audit findings, raise the possibility that responsible state agencies do not have adequate processes in place to address these risks," Howle wrote. Howle's office identified more than \$71 billion in federal coronavirus aid that the state has either received or is expected to receive to operate 35 federal programs. More than half of that money or \$40 billion, is how much the state expects to borrow from the federal government to help pay unemployment benefits for millions of people who have lost their jobs because of the pandemic. The Department of Finance, which has received \$9.5 billion in federal coronavirus aid and oversees spending at most state agencies, told Howle the extra monitoring is unnecessary. The agency noted its Office of State Audits and Evaluations has been helping state agencies and departments, including local governments, on how to use and track the federal money. To read Howle's report, click [here](#).

## **LEGAL DEVELOPMENTS**

### **Travelers Scores Victory In COVID-19 Business Interruption Case**

As detailed in this [Law360 article](#), a unit of Travelers Cos. Inc. won the dismissal of a coronavirus-related business interruption suit on Friday, adding to the growing list of court decisions finding business disruptions stemming from the pandemic don't constitute property loss or damage. In [10E LLC v. Travelers Indemnity Co. of Connecticut et al.](#), a federal court in Los Angeles granted Travelers' motion to dismiss a suit filed by the owners of 10E, a local restaurant that sought coverage for income lost as a result of mandated lockdowns that began in March following the COVID-19 outbreak. The restaurant argued that the inability to use its property during the lockdowns amounted to direct physical loss or damage under the terms of its commercial insurance policy issued by Travelers. The court ruled, however, that in previous insurance cases California courts had held that physical loss occurs when a property undergoes a "distinct, demonstrable, physical alteration." According to the ruling, "An insured cannot recover by attempting to artfully plead impairment to economically valuable use of property as physical loss or damage to property." 10E was represented by Mark Geragos, a well-known Los Angeles trial lawyer who is also suing Travelers for business interruption coverage he alleges his law firm is entitled to due to the lockdowns and for damage to commercial property he owns.

### **US Churches Sue to Challenge COVID-19 Restriction**

A judge last week allowed a Los Angeles church to hold indoor services despite coronavirus health orders as long as it practices safety measures such as mask-wearing and social distancing. Los Angeles County had sought a court order barring Grace Community Church

from holding the services, arguing that they were an immediate health threat. But Superior Court Judge James C. Chalfant restricted his order to a requirement that worshipers wear masks and practice social distancing. He also set a September hearing on the county's request for a preliminary injunction barring the church from holding indoor services at its building in the Sun Valley neighborhood or anywhere else in the state. Across the country the vast majority of churches have cooperated with health authorities and successfully protected their congregations. Yet from the earliest phases of the pandemic, and continuing to this day, some worship services and other religious activities have been identified as sources of local outbreaks. A few churches have been openly defiant, including one in California's Ventura County that held indoor worship services Sunday despite a judge's temporary restraining order. Earlier this year the US Supreme Court upheld state COVID-19 restrictions on religious gatherings in a suit filed by South Bay United Pentecostal Church in Chula Vista, California. Most recently, the US Supreme Court rejected on July 24 an appeal by a rural Nevada church in a 5-4 decision joined by Chief Justice John Roberts but sharply criticized in three separate conservative dissents.

### **Battle Over COVID-19 School Openings**

Teachers unions are waging court fights across the country aimed at unwinding what they say are unsafe and politically motivated timetables for reopening schools that risk exposing personnel to the coronavirus pandemic. State officials eager to ramp up brick-and-mortar operations are facing lawsuits from Florida to Texas to Iowa over reopening plans as well as access to the COVID-19 infection data needed to monitor the rate of spread within school communities. At the same time, lawsuits are flying from the opposition direction: Parents in several states, including New York, Massachusetts and Oregon, dissatisfied with web-based teaching alternatives, are suing to force state officials to reopen physical schools sooner as courts are increasingly called upon to referee the fight over education in the age of Coronavirus. A nonprofit litigation group called the [Center for American Liberty](#), co-founded by lawyer and GOP official Harmeet Dhillon, is backing one such suit in California.

### **COVID Inspired Lawsuits**

As detailed in [this legal bulletin](#) from Seyfarth, participants on either side of recent employment litigation in California can often point to the same scapegoat: "COVID made me do it." Most recent pandemic-related claims fall into one of two categories: (1) Employees were forced to resign, forced to take a leave, or terminated for voicing concerns about the lack of health and safety protocols; and (2) employees were laid off ostensibly because of COVID-necessitated business changes, but actually because of something more nefarious.

## **NATIONAL**

### **CDC Director Walks Back Testing Guidance, But Does Not Alter Recommendations On Website**

The federal government appears to have backtracked on COVID-19 testing guidance, according to a statement released late Wednesday from the director of the Centers for Disease Control and Prevention. Disputed recommendations posted to the CDC website on Monday suggested

people exposed to the coronavirus "do not necessarily need a test" unless they're having symptoms, are older or are otherwise medically vulnerable. In the new statement, the CDC's director, Dr. Robert Redfield, now says that "all close contacts of confirmed or probable COVID-19 patients" may consider testing. The [recommendation from the CDC](#) — which reversed previous advice that anyone exposed to COVID-19 should be tested, even if they weren't symptomatic — was met with backlash. The White House Coronavirus Task Force finalized the change to the testing guidance one week ago, the day one of its members, Dr. Anthony Fauci, was having surgery. Last week, a spokesperson from the National Institute of Allergy and Infectious Disease, which Fauci leads, said that Fauci recalled "quickly reviewing a version of the guidelines" that had circulated previously. The CDC does not mandate which people can or should be tested for the Coronavirus. Those decisions are left to local and state health authorities, and are dependent, in some cases, on the availability of tests. A joint statement from the governors of Connecticut, New Jersey and New York called the new testing guidelines "reckless," and said the states would "continue to follow the advice of health experts to contain and prevent the spread of COVID-19, and therefore will not be changing our guidance that prioritizes testing" for asymptomatic individuals.

### **Bathroom Transmission?**

Researchers say a woman who was evacuated from Italy in March may have been infected by the Coronavirus in an airplane bathroom on her flight back to South Korea. To read the CDC report, click [here](#).

### **CDC Guidance On Workplace Violence In Retail Associated With COVID-19, Customer Face Mask Enforcement**

As detailed in a [Seyfarth blog](#), the CDC published guidance aimed at assisting retail and service companies in limiting workplace violence against or involving their employees that may be associated with enforcing face mask mandates and other COVID-19 precautions.

### **Education Department Extends COVID-19 Regulatory Flexibilities For Title IV Programs**

On August 21, 2020, the US Department of Education (ED) issued an [electronic announcement](#) extending the effective period for all previously issued regulatory flexibilities related to the COVID-19 national emergency. Those regulatory flexibilities were initially implemented through a series of earlier announcements from ED on [March 5](#), [April 3](#), [May 15](#), [July 9](#) and [July 10](#). Under this latest announcement, except for certain topics addressed below, the effective period of all of those regulatory flexibilities, including but not limited to the broad flexibilities provided to offer distance education, now extends *through the later of* (1) the end of the Title IV federal student aid payment period that includes December 31, 2020; or (2) the end of the payment period that includes the end date for the federally-declared emergency related to COVID-19. The following are exceptions to the above general effective period:

- *Campus-based programs' matching requirements*: The Coronavirus Aid, Relief, and Economic Security (CARES) Act waived the institutional match requirement associated with the Federal Work-Study (FWS) and Federal Supplemental Educational Opportunity Grant (FSEOG) programs for the 2019-2020 and 2020-2021 award years. Therefore,

irrespective of when the national emergency declaration is lifted, no institutional match is required for either of these award years.

- *Leaves of absence (LOA)*: ED is extending the maximum duration of an LOA from 180 days to also include the number of additional days remaining in this calendar year. This flexibility includes students who are already on an LOA approved since the original regulatory flexibility on LOAs was granted.
- *Return of Title IV funds (R2T4)*: Institutions are not required to return Title IV program funds for any student who begins attendance in a payment period or period of enrollment that includes March 13, 2020, or begins between March 13 and the later of December 31 or the last date that the national emergency is in effect, and subsequently withdraws from the period as a result of COVID-19-related circumstances. Standard term programs must use the payment period, i.e., semester, trimester, or quarter, to calculate returns. Where an institution has opted to use the period of enrollment to calculate its returns for a non-term or non-standard term program, the waiver may apply to a student who begins attendance in a payment period that includes December 31, 2020 or the last date that the national emergency is in effect, and subsequently withdraws after the conclusion of that payment period but within the applicable period of enrollment.
- *Foreign institutions*: As provided in the CARES Act, ED will permit the use of distance education by foreign institutions offering Title IV eligible programs for the duration of a national emergency declared by the applicable government authorities in the country in which the foreign institution is located, through the payment period following the payment period or the break between payment periods during which the emergency declaration is lifted.
- *Academic calendars*: Because it is frequently necessary for institutions to establish academic calendars that cover an entire academic year as opposed to a single Title IV federal student aid payment period, ED believes it is appropriate to align the period for related regulatory flexibilities to coincide with the end of a program's academic year. Therefore, the previously provided flexibilities related to academic calendars, including standard semesters or trimesters consisting of as few as 13 weeks, standard quarters consisting of as few as nine weeks, and overlapping standard terms, are extended through the end of the academic year that includes December 31, 2020, or the academic year that includes the end date for the federally-declared emergency related to COVID-19, whichever occurs later.
- *Reporting and audit requirements*: Until further notice, ED is extending all financial statement and compliance audit deadlines by six months. Deadlines applicable to Equity and Athletics disclosures (EADA), the Fiscal Operations Report and Application to Participate (FISAP), and Campus and Fire Safety remain as outlined in the [July 10, 2020, electronic announcement](#).

On August 21, 2020, ED officially [announced](#) that, pursuant to President Trump's [August 8, 2020, Executive Order](#), payments on federal student loans for which the promissory note is held by ED will be automatically paused through December 31, 2020. All interest accruals on such loans also will be waived, and borrowers need not take any action to continue the interest-free

pause in payments. According to ED, collections on defaulted loans also will remain suspended until 2021, and all non-payments during this time will count toward Public Service Loan Forgiveness (PSLF) and income-driven repayment (IDR) progress requirements. Borrowers wishing to continue making payments on covered loans during the suspension period may still do so.

## **QUESTIONS EKA HAS RECEIVED**

### **When Will The SBA Begin Accepting Loan Forgiveness Applications**

The U.S. Small Business Administration, which administers the Payroll Protection Program (PPP), began accepting loan forgiveness applications August 10. Just two weeks later, the agency, in conjunction with the Treasury Department, released additional guidelines surrounding forgiveness of the pandemic loans designed to keep workers on payrolls. If you're an owner and you thought you were clear on how to apply for PPP loan forgiveness, the SBA released another interim final rule that adds even more complexity to certain areas of forgiveness. Some of the new provisions could work in your favor—or against you—depending on your business type and how you used your funds. In general, PPP loans are forgivable if your business used at least 60% of the loan for eligible payroll costs over a span of 24 weeks. Non-payroll costs, including mortgage interest, business rent and utilities are also eligible for forgiveness, but the new rules tweak certain eligibility requirements. Here's what's changed. The new guidelines state that an owner-employee in a C- or S-corporation who has less than a 5% ownership stake will not be subject to the owner-employee compensation rule, which caps the amount of loan forgiveness on owner-employee compensation. Prior to the change, the owner-employee compensation rule stated that anyone with a stake in a company—no matter how small—that took out a PPP loan was eligible for forgiveness of the lesser of \$20,833 or 20.833% of their 2019 compensation or \$15,385 or 15.385% if the borrower elected to use an eight-week covered period. The updated guidance means that if you have an equity stake under 5% in your company, you are now eligible for more salary forgiveness—up to \$46,154 per individual over 24 weeks. In addition, covered benefits like health care expenses, retirement contributions and state taxes imposed on employee payroll paid by the employer would also be eligible for forgiveness.

### **No Forgiveness For Home Office or Tenant Expenses**

If you rent out a portion of your office, you will not receive forgiveness for the portion of the rent your tenant pays you. For example, if you sublease some of your office space and they pay you one-third of your total monthly rent, you are only entitled to forgiveness on the two-thirds of the rent you pay. The reverse also holds true. If you sublease your office space, you're only eligible for forgiveness on your business' portion of the total monthly amount. If you pay a portion of the utility bills for that space, you'll only receive forgiveness for the portion of the bill you pay. And, home office expenses are only forgivable based on the prorated amount you claimed as a deduction on your 2019 tax filings or the amount you expect to claim on your 2020 filings.

### **Mortgage Interest Payments: It's Complicated**

The revised guidelines also include changes to the forgiveness rules for businesses that own the building where they pay rent. Here's how it works: If Business A holds any ownership interest in Business B, which owns the building, Business A is now considered "related" to Business B. This makes Business A eligible for forgiveness only for the portion of the rent or lease payments to Business B equal to or less than the amount of mortgage interest Business B pays on the property. One more caveat: All of this only applies when the lease and the mortgage agreement were entered into prior to February 15, 2020. This rule also means that if Business A is making mortgage payments on Business B's property, or if Business B owns the building outright, without a mortgage or mortgage interest, Business A won't receive any forgiveness. That's a potential penalty for those who were expecting to receive forgiveness on this portion of their loan.

With this new set of rules, owner-employees may not be eligible for as much forgiveness of their PPP loans as they originally thought. New guidelines continue to be rolled out regarding the PPP loan forgiveness process and how to calculate your company's eligibility. It's key to stay on top of any new rules and regulations, to make sure your paperwork is up-to-date when you submit for forgiveness. To view the current loan forgiveness details, click [here](#).

## WHAT WE'RE READING

### **Millions Of Californians Would Be Eligible For Job-Protected Leave Under Plan Approved By Lawmakers**

Californians who work for small businesses could soon have an easier time taking off work to care for new babies or sick relatives under an expansion of California's paid family leave law that Gov. Gavin Newsom is expected to sign. California a decade and a half ago passed one of the nation's first paid family leave laws to let workers take time off when a family member is sick or they have a new baby. Workers pay into the program and then earn the benefits via disability insurance. To read the full story, click [here](#).

### **Gen Z Really Wants to Get Back to the Office**

It's only been a few months since most of us switched to working full-time from home, but it's already hard to believe everyone ever willingly gave over huge chunks of their day to commuting when their jobs were doable via an internet connection. Surveys earlier this summer found that 77 percent of people want to stay at least partially remote even after it becomes safe to commute again. According to new data from LinkedIn, though, that desire isn't spread evenly across the generations — and it is the world's most tech-savvy generation ever that's also the most eager to return to the office. To read the full story, click [here](#).

### **California Legislators Cap Off Session With Several COVID-19 Protection Bills**

California lawmakers on Monday wrapped up a legislative session largely defined by the pandemic as they approved new COVID-19 sick leave for food workers, added sweeping labor protections for laid-off hotel staff and made it easier for essential employees to file for workers' compensation. With approval in the Senate and Assembly ahead of Monday's deadline, the

bills will next head to Gov. Gavin Newsom, who will have until September 30 to sign or veto the measures. To read the full story, click [here](#).

### **Health Experts Slam CDC's Coronavirus Guidance Change That Downplays Testing for Asymptomatic People**

The Centers for Disease Control and Prevention is no longer recommending testing for everyone who's been exposed to COVID-19, saying people who don't have symptoms "do not necessarily need a test." The agency quietly revised its testing guidance for asymptomatic individuals Monday, advising people who are vulnerable to the virus to get tested if they have been within 6 feet of an infected individual for at least 15 minutes. To read the full story, click [here](#).

### **LA County Business Owners Frustrated About Reopening Limitations As Other Counties Ease Restrictions**

Many Los Angeles County business owners say their needs are not being considered after the county still continues to keep many operations closed or limited because of Coronavirus. Gov. Gavin Newsom on Friday shared an updated method to track efforts of counties in slowing the spread of Coronavirus and offer guidance on further reopening schools and businesses like salons and barbershops. To read the full story, click [here](#).

**Pelosi Used Shuttered San Francisco Hair Salon For Blow-Out, Owner Calls It 'Slap In The Face'**  
House Speaker Nancy Pelosi visited a San Francisco hair salon on Monday afternoon for a wash and blow-out, despite local ordinances keeping salons closed amid the coronavirus pandemic, Fox News has learned. In security footage obtained by Fox News, and timestamped Monday at 3:08 p.m. Pacific Time, the California powerhouse is seen walking through eSalon in San Francisco with wet hair, and without a mask over her mouth or nose. To read the full story, click [here](#).

### **California Shopping Center King Rick Caruso Is Back—And Cheering On The Demise Of The American Mall**

In mid-March, real estate billionaire Rick Caruso and his team conducted war games to see how the Coronavirus might impact his collection of ultra-luxury shopping centers in southern California. "The worst-case scenario was it going through the year into the first quarter of next year," says Caruso, 61, in a phone interview from his estate in Brentwood. At the time, that doomsday scenario seemed a remote possibility. Then the virus got worse. And worse still. To read the full story, click [here](#).

### **Fauci Pushes Back Against Minimizing Of Coronavirus Death Toll**

The tweet, which has since been deleted by Twitter, cited a post on the Centers for Disease Control and Prevention website saying that "for 6% of the deaths, COVID-19 was the only cause mentioned." Anthony Fauci said Tuesday that does not mean the other 94 percent did not die from the Coronavirus. More than 183,000 coronavirus deaths have been confirmed in the US To read the full story, click [here](#).

### **Federal Health Advisors Predict Four Coronavirus Vaccine Trials Backed By US Could Fail**

A top group advising US health officials predicted Tuesday that four late-stage coronavirus vaccine trials backed by the United States could fail to provide positive results. The National Academies of Sciences, Engineering, and Medicine released a draft report that lays out a plan for distributing a coronavirus vaccine if one is approved. It said the Trump administration's Operation Warp Speed expects to support up to seven phase three trials and it assumes four of them will fail. According to a study published in the scientific journal Biostatistics, vaccines for infectious diseases have a 33.4% success rate of making it through clinical trials and to regulatory approval. To read the full story, click [here](#).

### **Coronavirus has turned once-bustling downtown LA into a ghost town. Can it recover?**

Four months into the pandemic, never has the city seemed so upside down. Parking attendants wave flags to the empty streets. Storefronts, boarded-up from break-ins, merge with stalled construction sites. Homeless camps double as sidewalk bazaars. "COVID," he says, "is a truth serum bringing it all out." For 10 years, downtown was a boom town, an improbable refutation of its history as a 9-to-5 enclave for commuters only. High-rises and low-rises became home to nearly 88,000 residents and a destination for visitors, 24/7. To read the full story, click [here](#).

### **Small Business Administration Sends \$1 Billion To Places It Shouldn't Have Gone**

A federal program meant to help small businesses hurt by the coronavirus pandemic may have sent more than \$1 billion to places it shouldn't have gone, according to a Bloomberg Businessweek analysis of Small Business Administration data. In some parts of the country the SBA approved far more \$10,000 Economic Injury Disaster Loan (EIDL) grants than the number of eligible businesses, the analysis found. The epicenter was six adjacent congressional districts in the Chicago area, where 81,000 grants were approved even though there are only 19,000 eligible recipients. That's more than \$600 million going to phantom entrepreneurs. To read the full story, click [here](#).

### **California Oks School Return For Students With Special Needs Or Are Homeless**

More California children with specialized needs, such as students with disabilities or those who are homeless, will be allowed back in classrooms even as most schools remain shut for in-person learning under new state guidance released Tuesday. Schools in most counties are closed for in-person learning because of the Coronavirus. But the new guidance would allow the return to school for some children in grades K-12 in groups of up to 14 students. To read the full story, click [here](#).

### **California COVID-19 Workers' Comp Claims Soar**

Workers' compensation claims for COVID-19 have spiked dramatically in the past two months, from about 4,700 in May to about 10,900 in June and more than 11,600 in July, according to data from the California Department of Industrial Relations, which oversees the program. Those claims could mean more than \$2 billion in costs for employers and their insurers, according to projections by the California Workers' Compensation Institute, although workers' comp claims unrelated to COVID-19 fell as the economy contracted. To read the full story, click [here](#).

### **Imperial County, Once The County Hardest Hit By COVID-19, Approved To Open More Businesses**

The COVID-19 pandemic hit Imperial County's population harder, per-capita, than anywhere else in California for months. But on Tuesday, local health officials said the county had turned a corner and was approved by the state to begin moving more quickly through reopening. ... The approved variance means retail, higher education, childcare, libraries, youth sports, casinos and several other public settings can open indoors with modifications as of Tuesday evening. Places of worship, restaurants, gyms and other businesses can only open outdoors. Bars, K-12 schools and other locations remain closed. To read the full story, click [here](#).

### **More Than Half Of San Francisco Storefronts Closed Due To Pandemic**

More than half of all storefronts in San Francisco are no longer in business due to COVID-19, according to the survey by the San Francisco Chamber of Commerce. "The survey showed only 46 percent of storefront businesses in San Francisco that were open at the beginning of the pandemic are still operating," said Jay Cheng, spokesman of the San Francisco Chamber of Commerce. That means 1,200 stores are still open, while about 1,300 have closed, Cheng said. To read the full story, click [here](#).

### **On Or Off? California Schools Weigh Webcam Concerns During Distance Learning**

Webcam anxieties may also stem from fears over discipline and invasion of privacy. Schools are increasingly adopting technologies that rely on camera surveillance to monitor students, such as remote proctoring tools, and other apps that can track location, device usage and other web-browsing data. Students' names and images, which appear in virtual classroom settings, are considered personally identifiable and subject to protections under the federal Family Educational Rights and Privacy Act. The law applies to all publicly funded schools and gives parents the right to access their student's education records and to request changes to those records if they contain an error. To read the full story, click [here](#).

### **San Diego County has stopped accepting school waiver applications for reopening**

San Diego County closed its school reopening waiver application process Monday night, anticipating all schools in the county will be allowed to reopen effective next Tuesday if the county keeps its COVID-19 rate down. The county has to keep its case rate below 100 cases per 100,000 people for the next seven days. As of Tuesday morning, 110 San Diego-area schools had applied for waivers to reopen early, before the county reaches that milestone. The waiver process only allows schools to reopen for elementary students. To read the full story, click [here](#).

### **Moderna Says Covid-19 Vaccine Shows Signs of Working in Older Adults**

Moderna Inc. said Wednesday its experimental coronavirus vaccine induced immune responses in people aged 56 years and older that were comparable to those seen in younger adults in a small study, a promising sign for a vulnerable age group. Older adults are at higher risk of hospitalization and death from Covid-19 than younger people. While Moderna and other companies are racing to develop vaccines to protect people from the new Coronavirus, some experts have been concerned that vaccines won't offer as much protection in older adults. To read the full story, click [here](#).

### **COVID-19 Lockdowns Blocked Flu In Some Places But Fall Looms**

Ordinarily, South Africa sees widespread influenza during the Southern Hemisphere's winter months of May through August. This year, testing tracked by the country's National Institute of Communicable Diseases is finding almost none — something unprecedented. School closures, limited public gatherings and calls to wear masks and wash hands have "knocked down the flu," said Dr. Cheryl Cohen, head of the institute's respiratory program. That not only meant lives saved from flu's annual toll, but it "freed up our hospitals' capacity to treat COVID-19 patients," Cohen added. To read the full story, click [here](#).

### **School Is Starting -- And The Broadband Gap Will Be A Massive Problem**

The digital divide means millions of American children don't have broadband connections at home, even as their schools hold virtual classes. To read the full story, click [here](#).

### **Facial Recognition Designed To Detect Around Face Masks Is Failing, Study Finds**

Many facial recognition companies have claimed they can identify people with pinpoint accuracy even while they're wearing face masks, but the latest results from a study show that the coverings are dramatically increasing error rates. In an update Tuesday, the US National Institute of Standards and Technology looked at 41 facial recognition algorithms submitted after the COVID-19 pandemic was declared in mid-March. Many of these algorithms were designed with face masks in mind, and claimed that they were still able to accurately identify people, even when half of their face was covered. To read the full story, click [here](#).

### **Scientists Worry FDA Could Be Pressured To Approve COVID-19 Vaccine Before It's Fully Tested**

After the Food and Drug Administration offered shaky data to justify its approval of blood plasma to treat COVID-19, some scientists are worried the agency could bow to pressure to approve a coronavirus vaccine before it's fully tested. President Donald Trump announced that the FDA issued an Emergency Use Authorization for blood plasma. The president, the Health and Human Services secretary and the head of the FDA said the treatment reduced deaths in COVID-19 patients by 35%. It did not, and scientists questioned the FDA's claims about the data. To read the full story, click [here](#).

### **CMS Threatens To Kick Hospitals Out Of Medicare For Failing To Report Coronavirus Data**

CMS on Tuesday [issued](#) an [interim final rule](#) that will tie hospitals' ability to participate in Medicare and Medicaid to the facilities' compliance with certain coronavirus data reporting requirements—prompting staunch criticism from a major hospital group. To read the full story, click [here](#).

### **COVID-19 Deaths Among Working-Age Latinos Skyrocket in California**

Deaths from Coronavirus among working-age Latinos in California have increased nearly five-fold in the past three months, according to research released Thursday by professors at the UCLA Fielding School of Public Health. Research by Professors David Hayes-Bautista and Paul

Hsu showed the increase in death rates in all Latino age groups: young adult, early middle age and late middle age. To read the full story, click [here](#).

### **COVID Data Failures Create Pressure for Public Health System Overhaul**

There are signs the COVID-19 pandemic has created momentum to modernize the nation's creaky, fragmented public health data system, in which nearly 3,000 local, state and federal health departments set their own reporting rules and vary greatly in their ability to send and receive data electronically. To read the full story, click [here](#).

### **Unemployment Benefits Also Generate Taxes**

Millions of people continue to receive unemployment benefits and many have chosen not to deduct federal taxes from that income, but failure to do so could bring on headaches. In the United States, all income is taxed and this includes not only unemployment benefits, but also the pandemic relief help of \$600 that many have received in the past months, or the \$300 that is currently being distributed, and those taxes are not forgiven. To read the full story, click [here](#).

### **Coronavirus: Even parts of California with worst COVID-19 outbreaks see improvement**

New cases of COVID-19 and hospitalizations from the virus in California continued to nosedive Wednesday in the latest data released by state and local health departments, and even the hardest-hit regions appeared to be on the mend. Both numbers reached lows not seen since the final week of June: a seven-day average of 5,887 new cases per day, the lowest since June 30, with 4,424 patients currently hospitalized, the fewest since June 25, according to data compiled by this news organization. To read the full story, click [here](#).

### **Abbott's \$5 Rapid COVID-19 Antigen Test Granted Authorization By FDA**

Abbott Laboratories said on Wednesday it won US marketing authorization for a COVID-19 portable antigen test that can deliver results within 15 minutes and will sell for \$5. The portable test is about the size of a credit card, requires no additional equipment to operate, and can be conducted using a less invasive nasal swab than traditional lab tests, Abbott executives said on a call with reporters. To read the full story, click [here](#).

### **FDA Warns Consumers About Hand Sanitizer Packaged in Food and Drink Containers**

The US Food and Drug Administration (FDA) is warning consumers about [alcohol-based hand sanitizers](#) that are being packaged in containers that may appear as food or drinks and may put consumers at risk of serious injury or death if ingested. The agency has discovered that some hand sanitizers are being packaged in beer cans, children's food pouches, water bottles, juice bottles and vodka bottles. Additionally, the FDA has found hand sanitizers that contain food flavors, such as chocolate or raspberry. To read the full story, click [here](#).

### **California Legislature Tackles COVID Workers Compensation Presumptions**

Three bills currently pending in the California legislature aim to codify presumptions for workers compensation purposes about the work-relatedness of COVID-19. Governor Newsom first addressed this issue in his May 6, 2020 [Executive Order No. N-62-20](#) ("EO 62-20"), which

expired on July 5, 2020. That Executive Order created a rebuttable presumption that any "COVID-19-related illness" arose out of and in the course of the employment for workers compensation purposes, as long as the positive test or diagnosis came within fourteen days of the employee having worked, at an employer's direction, in a workplace that was not the employee's home or residence. To read the full story, click [here](#).

### **Foster Farms Processing Plant In California Ordered To Shut Down Over COVID-19 Outbreak**

The Merced County Health Department ordered the Foster Farms Livingston Facility to shut down over the largest and most severe COVID-19 outbreak in Merced County, according to a statement released on Thursday by the health department. The shutdown order came Wednesday. To read the full story, click [here](#).

### **With Improving Virus Data, California Looks To Reopen Again**

California is poised to take another halting step toward normalcy with Gov. Gavin Newsom expected to announce plans for reopening businesses that were shuttered in July amid soaring coronavirus cases and hospitalizations. In anticipation of the Democratic governor's announcement Friday, there was a common refrain from businesses and local governments buffeted by the outbreak: We need clarity. To read the full story, click [here](#).

### **New PPP Rules From SBA Aimed At Clarifying Loan Forgiveness**

The U.S. Small Business Administration, which administers the Payroll Protection Program (PPP), began accepting loan forgiveness applications August 10. Just two weeks later, the agency, in conjunction with the Treasury Department, released additional guidelines surrounding forgiveness of the pandemic loans designed to keep workers on payrolls. To read the full story, click [here](#).

### **How Did Your Country Handle Coronavirus? Americans, Brits Have Most Negative Responses**

United by a common language and high levels of political polarization, the USA and United Kingdom stand out in a new survey as two nations whose populations are split over how well their governments handled the [COVID-19 pandemic](#). Across 14 mostly European countries, people were canvassed for attitudes about whether their leaders did a good job responding to the Coronavirus: 52% of Americans and 54% of Britons have a negative or "bad" impression, according to the Pew Research Center, a nonpartisan "fact tank" that carried out the survey of advanced economies. To read the full story, click [here](#).

### **COVID Pandemic: US Businesses Issue Gag Rules to Stop Workers From Talking**

Lindsay Ruck was just starting her Father's Day brunch shift at the Cheesecake Factory in Chandler, Ariz., when her boss told her a co-worker had Covid-19. In between making bloody marys, Ruck shared the news with several of her colleagues, who'd been worrying about such a moment since the restaurant reopened the month before. At the end of Ruck's shift, when she went to the back office to count her cash, her boss and another supervisor were waiting. To read the full story, click [here](#).

### **Map: State-By-State Breakdown Of Coronavirus Travel Restrictions**

Guidance on traveling and travel restrictions varies across the US This patchwork of restrictions highlights the ability of states to take different approaches while making their way through the coronavirus pandemic. While all of the Northeast and most of the mid-Atlantic states have implemented statewide travel restrictions, more than half the states, including two of the biggest, California and Texas, have no such restrictions. To read the full story, click [here](#).

### **COVID-19: Small Gatherings Quietly A Significant Source Of Infections**

Public health experts sound the alarm as the Labor Day weekend approaches. "People don't think of it in the same way as the (President) Trump rally in Tulsa, a bunch of people on the beach or in the bars, but these small events add up to a lot. It's just invisible," said Dr. Peter Chin-Hong, a professor of medicine at the University of California-San Francisco who specializes in infectious diseases. To read the full story, click [here](#).

### **Tribal Casinos Weigh Dueling Risks Of COVID-19, Economic Ruin**

As the country's economy slowly opens back up while COVID-19 cases and deaths continue to rise, tribal gaming finds itself caught in a bind: restoring an economic pillar many tribal nations rely on or shutting down operations and losing out on that funding. Making the choice more vexing is the knowledge that the pandemic has had a disproportionate impact on Native Americans and that casinos can serve as super-spreaders of COVID-19. Ultimately, federally recognized tribes are sovereign nations, meaning it's their decision to make on whether to open or close their doors. To read the full story, click [here](#).

### **Longer Waits And Fewer Buses: Pandemic Worsens Shortfalls And Service Cuts**

Cuts in service could be just the beginning, local agencies warn, as they face unprecedented tax and fare shortfalls that threaten bus and rail lines next year, too. To read the full story, click [here](#).

### **Governor Newsom Thanks Legislature for Partnership in Providing Critical Support for Californians Amid Crises**

"Even now, as we continue our emergency response against the virus, California is sowing the seeds for our future economic recovery – offering tax relief to small businesses and accelerating bonds to help stimulate growth. The Legislature also passed several bills protecting those who work on the front lines of the pandemic – from expanding paid leave and employer notifications to establishing new worker compensation protections and stronger enforcement tools to keep workplaces safe. This legislation helps ensure that we have the right policies in place to safely reopen and protect workers and their families." To read the full story, click [here](#).

### **Hong Kong Starts Mass Coronavirus Testing As Critics Urge Boycott**

A Beijing-led mass coronavirus testing effort kicked off in Hong Kong on Tuesday, with nearly 650,000 people registered to take part amid boycott calls from some of the city's pro-democracy activists and healthcare workers. For at least a week, residents will be able to get a free nasal and throat combination test at more than 140 testing centers set up throughout the city. To read the full story, click [here](#).

### **Apple And Google Expand Coronavirus Exposure Notifications, Simplify App Requirements**

Apple and Google want to make it easier for health agencies to join its coronavirus exposure notification system, creating a new option that will allow them to help people track and alert one another about coronavirus infections without having to build an app. The new option, called exposure notifications express, will allow people to join Apple's and Google's coronavirus notifications without needing to download an app from their local health department. This, the two companies said, will help spread adoption without putting pressure on health officials, some of whom have told the tech companies they don't have the resources to build an app. To read the full story, click [here](#).

### **Colleges Attempt to Beat Back Wave of Infections**

The caseloads are only expected to grow as colleges and universities are finding it nearly impossible to prevent students from gathering in large groups, despite repeated warnings. In fact, a handful of colleges are attempting to push forward despite logging more than 500 coronavirus infections each among students and faculty – a scenario public health officials say will be virtually impossible to contain. To read the full story, click [here](#).

### **16 Air Passengers Test Positive for Virus**

Nearly 200 people on board a flight from Greece are being asked to quarantine after 16 passengers tested positive for the Coronavirus. All 193 passengers and crew on TUI Airways flight 6215 from the island of Zante to Cardiff, Wales on August 25 have been ordered to self-isolate. To read the full story, click [here](#).

### **As Remote Work Becomes The Norm, California State Employees Wonder: What About Promotions?**

Even in the highly regimented world of state government, a handshake and a smile can help smooth the way to a promotion, some California state workers say. With the Coronavirus limiting in-person interactions, some workers are wondering how to show their bosses they've got the right stuff to move up. "Prior to covid, you were able to shake hands with that person, look them in the eye, make an impression," said an associate governmental program analyst at CalPERS. "And that's going to be more difficult with telework." 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.