COALITION OF GREATER MN CITIES

COVID-19 Employment Update and Q&A with Labor and Employment Attorneys

May 6, 2020

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Topics

- **Update**
  - Gov. Walz's Fourth Stay-at-Home Order
  - Finances and Economy
  - Congress
  - COVID-19 Projections

- **Q&A's**
  - Workplace Conditions
  - Employee Medical and Leave Issues
  - Other Employer Actions

Questions?

Please submit any questions via the “Chat” function

STAY HOME.
STOP THE SPREAD.
SAVE LIVES.

MINNESOTA | #StayHomeMN

Gov. Walz's Fourth Stay-at-Home Order

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Minnesota Overview

- Community spread of COVID-19 continues to increase in Minnesota and nationwide
  - As of May 5, Minnesota had 7,851 cases of COVID-19 confirmed by testing
    - Highest single day increase on May 5, 2020 with 617 new positive cases reported
  - State recorded highest number of deaths in a single day on April 26 and May 1, 2020 – 28 newly reported deaths on both dates
- Further decisions on reopening will be incumbent upon ramping up testing for the virus
  - Gov. Walz stated he hoped the state would be up to a rate of 5,000 tests a day by May 4
    - Testing data table from the MN Department of Health shows we're not quite there, but getting close

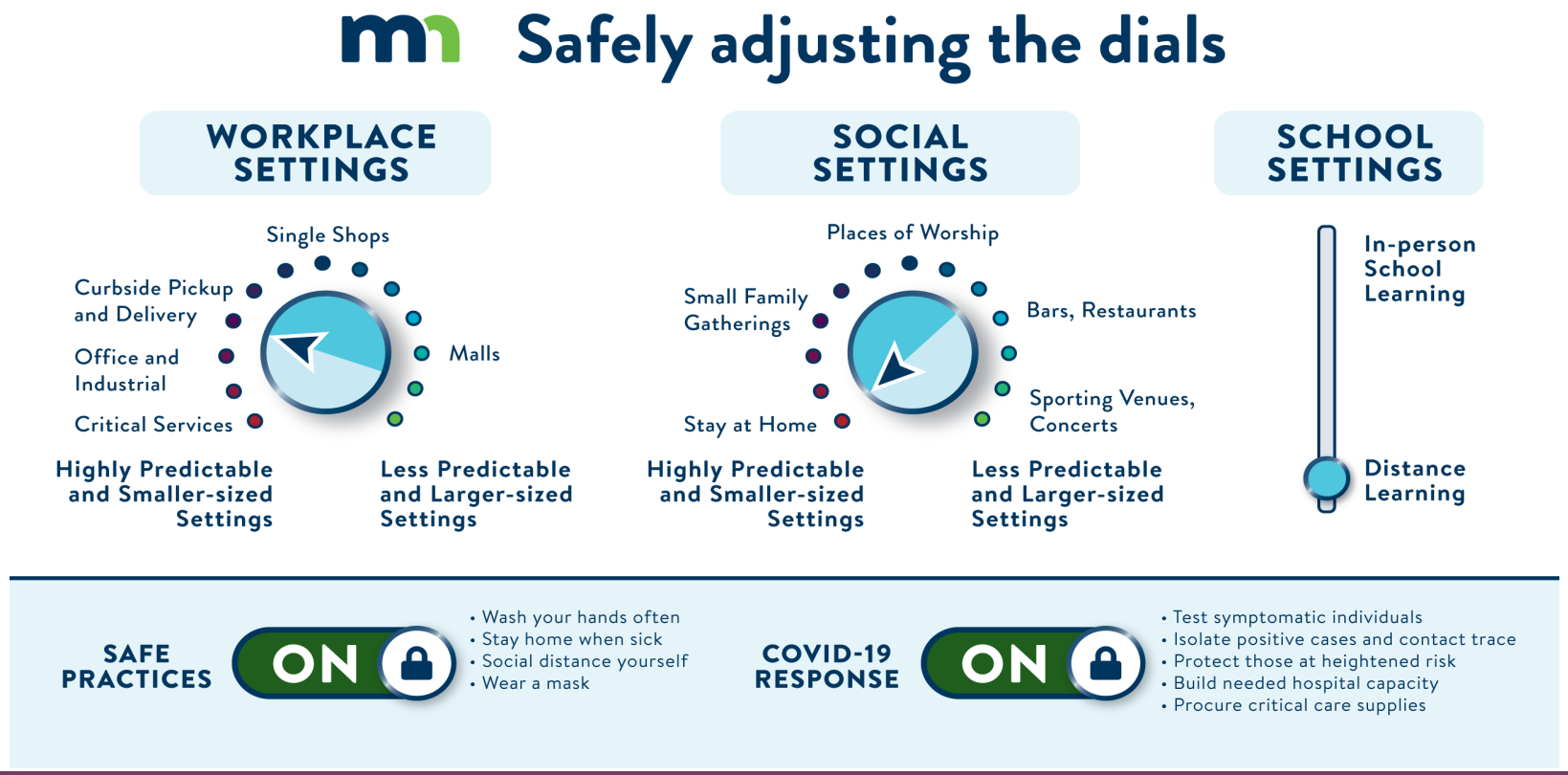
See Situation Update for Coronavirus Disease 2019 (COVID-19), Minnesota Department of Health.

Stay-at-Home Order

- Stay at Home Order in effect until Sunday, May 17, 2020 at 11:59 p.m.
  - "Minnesotans working in any field, including the Critical Sectors and Non-Critical Exempt Businesses set forth below, must work from their home or residence as much as possible. Any worker who can work from home must do so."
  - Masks and face coverings encouraged
    - "They are not yet known to be protective of the wearer and thus are not personal protective equipment."
  - Non-Critical Exempt Businesses must establish and implement COVID-19 Preparedness Plan
    - Template plan customized for public entities available here: https://greatermncities.org/blog/returning-non-critical-workers-to-work/
    - Employee-groups, areas of employer, and/or facilities should have more specific supplementary measures

See Executive Order 20-48 (E.O. 20-48), April 30, 2020.

Stay-at-Home Order



Stay-at-Home Order

- Penalties for violations
  - Pursuant to Minnesota Statutes, "a worker who willfully violates this Executive Order is guilty of a misdemeanor and upon conviction must be punished by a fine not to exceed $1,000 or by imprisonment for not more than 90 days."
  - "A business owner, manager, or supervisor who requires or encourages any of their employees . . . to violate this Executive Order is guilty of a gross misdemeanor and upon conviction must be punished by a fine not to exceed $3,000 or by imprisonment for not more than a year."
    - State Emergency Operations Line for employees to report violations
    - Minnesota Department of Public Safety works with local law enforcement officials to ensure compliance
  - In addition to criminal penalties above, the Attorney General, as well as city and county attorneys, may seek any civil relief available pursuant to Minnesota Statutes for violations of the Executive Order
    - Including civil penalties up to $25,000 per occurrence from businesses and injunctive relief

See Executive Order 20-48 (E.O. 20-48), April 30, 2020; *see also*, Minn. Stat. §§ 8.31, 12.45.

Finances and Economy

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Minnesota Management and Budget Update (MBB)

- MMB released an updated budget projection for the current biennium, Fiscal Years 2020 and 2021 (July 1, 2019–June 30, 2020)
- State budget and economic outlook has significantly worsened since the coronavirus pandemic
  - Outlook will remain volatile for some time due to path of the pandemic and consumers', businesses', and governments' responses are uncertain

See May 2020 Interim Budget Projection, MMB (May 5, 2020).

Minnesota Management and Budget Update (MBB)

- Budget
  - $2.426 billion deficit projected for current biennium, which represents a change of almost $4 billion from the February 2020 forecast
    - Total general fund revenues expected to be $3.611 (7.4%) billion less than the February forecast, with spending expected to be $391 million higher
  - Not possible to accurately project state revenue and spending into the FY 2022-23 biennium
    - However, it is likely that the negative impact on the state budget in the next biennium will be significant

See May 2020 Interim Budget Projection, MMB (May 5, 2020).

Minnesota Management and Budget Update (MBB)

- Consultant forecasting a three-quarters recession at start of 2020
  - 5.4% decline in real GDP in 2020
  - Expects real GDP to reach pre-pandemic level in mid-2021
    - 6.3% real GDP growth forecasted for 2021
  - State projects possible slower recovery due to
    - Possible more persistent outbreak or a resurgence of the disease later in the year
    - Longer—or subsequent—period of social distancing could lead to permanent closures of small businesses that are particularly affected by the restrictions

See May 2020 Interim Budget Projection, MMB (May 5, 2020).

Minnesota Management and Budget Update (MBB)

- Consultant forecasts the U.S. to regain full employment at some point in 2024
  - Over 30 million people in the U.S. have applied for unemployment benefits since mid-March
    - Over 590,000 Minnesotans have applied for benefits since mid-March
    - Updated unemployment figures are expected to be released mid-May
  - Consultant expects the U.S. unemployment rate to reach a high of 10.3% in the fourth quarter of 2020 before gradually drifting down to pre-pandemic level

See May 2020 Interim Budget Projection, MMB (May 5, 2020).

Minnesota Management and Budget Update (MBB)

- Consultant forecast assumptions
  - Spread of COVID-19 to peak and then dissipate in the second calendar quarter of 2020
  - Allowing restrictions on activity to be lifted during the third quarter

See May 2020 Interim Budget Projection, MMB (May 5, 2020).

Minnesota Management and Budget Update (MBB)

- Economic outcomes will depend on:
  - Pandemic's course
  - Prospects for an effective treatment and vaccine
  - Government restrictions on economic activity
  - Consumers' and businesses' responses as restrictions are lifted
  - Impact of fiscal and monetary policies

See May 2020 Interim Budget Projection, MMB (May 5, 2020).

Aid for Governments

- $2.2 billion in emergency federal aid to State with an end-of-year deadline set by Congress to spend all the money
  - State received bulk of funding - $1.87 billion, followed by Hennepin and Ramsey Counties receiving $212 million and $96 million, respectively
  - Neither Minneapolis nor St. Paul received a direct federal allocation as both have a population under 500,000 residents
- MMB Commissioner stated up to $667 million of State's share can go to local governments for pandemic-related expenses
  - Currently no additional guidance

Briana Bierschbach, Rochelle Olson and Shannon Prather, *With a lot of money and limited time, state and local governments scramble to capture and spend emergency federal funds*, StarTribune (May 5, 2020).

Congress

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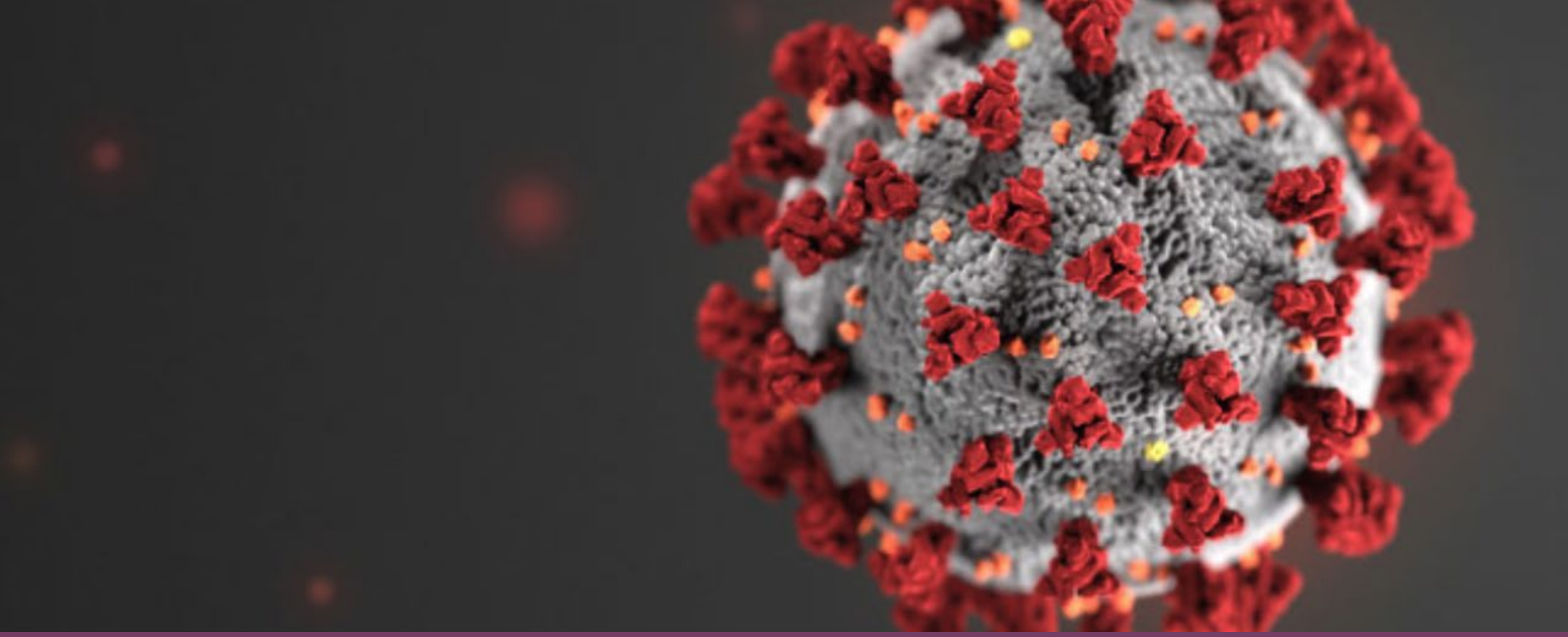
COVID-19 Federal Update

- Several bills to be introduced in Congress this week seeking to provide assistance to local governments
  - Including federal aid and language amendments to the Families First Coronavirus Relief Act (FFCRA) and Coronavirus Aid, Relief, and Economic Security Act (CARES)
  - Amend FFCRA to extend eligibility for paid leave payroll tax credits to state, local, and tribal governments
  - Amend CARES to allow for cities and states to use funding authorized in the CARES Act for lost revenue due to COVID-19
  - Coronavirus Community Relief Act to provide $250 billion to local governments with a population of less than 500,000, which were excluded from CARES Act

See COVID-19 Federal Update: Local Government Assistance Proposals, League of Minnesota Cities (LMC)(May 4, 2020); *see also*, Cities Are Essential: New Campaign Calls for Immediate, Direct Funding to Support Local COVID-19 Response and Recovery, National League of Cities (NLC)(May 5, 2020).



COVID-19 Projections

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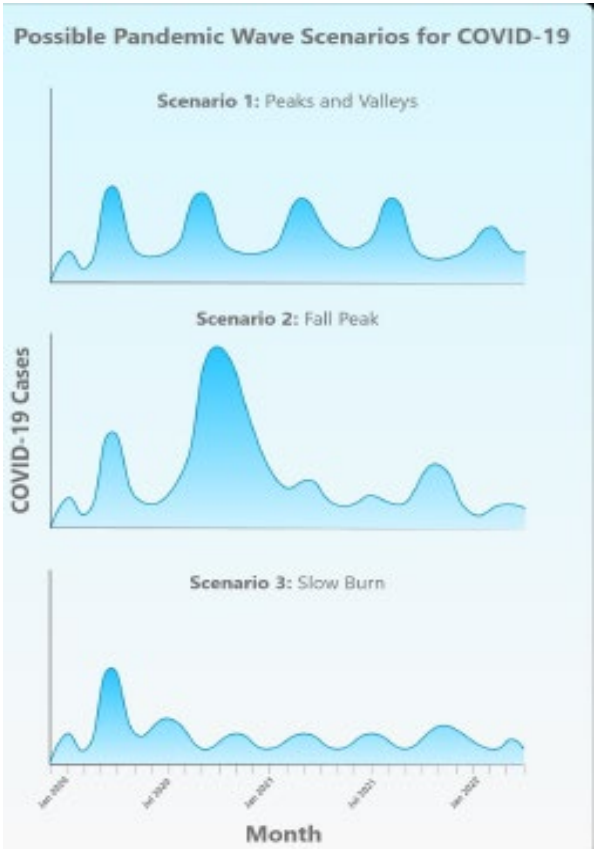
COVID-19 Projections

- Based on most recent flu pandemics, this outbreak will likely last 18 to 24 months
  - Taking into consideration the longer average incubation period and higher asymptomatic fraction for COVID-19
- Likely won't be halted until 60% to 70% of the population is immune
  - Critical threshold of herd immunity
- Depending on control measures and other factors, cases may come in waves of different heights and in different intervals

COVID-19: The CIDRAP Viewpoint, Center for Infectious Disease Research and Policy (CIDRAP)(Apr. 30, 2020).

COVID-19 Projections

- Centers for Infectious Disease Research and Policy presented three possible scenarios
  - Wave occurrences may vary geographically and depend on what mitigation measures are in place and how they are eased
- Scenario 1: Current first wave of COVID-19 is followed by a series of repetitive smaller waves that occur through the summer and then consistently over a 1-to 2-year period
- Scenario 2: First wave is followed by a larger wave in the fall or winter of 2020 and one or more smaller subsequent waves in 2021
- Scenario 3: First wave is followed by a "slow burn" of ongoing transmission and case occurrence, but without a clear wave pattern



Q&A’s

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Q&A: Workplace Conditions

- Personal Protective Equipment
- Distancing
- Sanitary Conditions (hygiene, disinfecting, and cleaning)

Submit any questions via the “Chat” function

Q&A: Employee Medical and Leave Issues

- Screening
- Exposure-High Risk-Symptoms-Positive Test
- Leaves
  - Flexibility
  - New federal leaves

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Q&A: Other Employer Actions

- Perform long-term tasks
- Perform duties from other jobs
- Telework
- Hiring freeze
- Reduce work schedule
- Furlough
- Salary or benefits freezes or reductions
- Layoff
- Early retirement incentives
- Subcontracting

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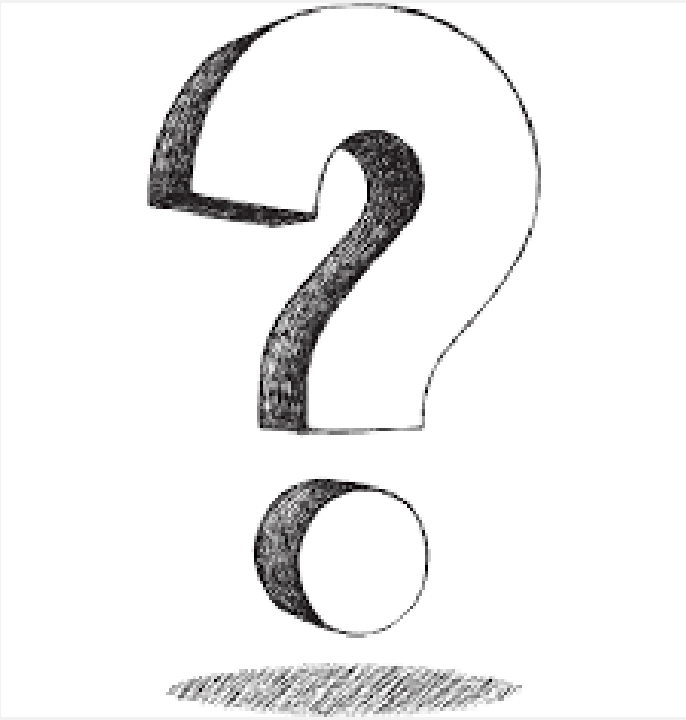

Q&A’s

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Resources

- Visit the CGMC website (https://greatermncities.org) for additional information on the Coalition, including resources related to:
  - Labor & Employee Relations
  - Economic development
  - Local Government Aid & Property Tax Relief
  - Environment & Energy
  - Transportation
  - Annexation & Land Use
- CGMC COVID-19 Advice & Tools for Cities, including future Webinars: https://greatermncities.org/resources/covid-19/