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Insights

BACK TO WORK: CALIFORNIA'S BLUEPRINT FOR A SAFER ECONOMY

Sep 08, 2020

SUMMARY

On August 28, 2020, Governor Gavin Newsom unveiled a new plan for the reopening of California's economy following the closures ordered in response to the COVID-19 pandemic, which replaced the county watch list system that was previously in effect. The new plan provides for a four-tier system in which counties must show consistent progress in reducing the transmission of the coronavirus before allowing for greater flexibility in the reopening of businesses, schools, and resuming group activities. The stated intent of the plan is to be "statewide, stringent and slow," and to impose uniform limits on what businesses can be open depending on a county's infection rates.

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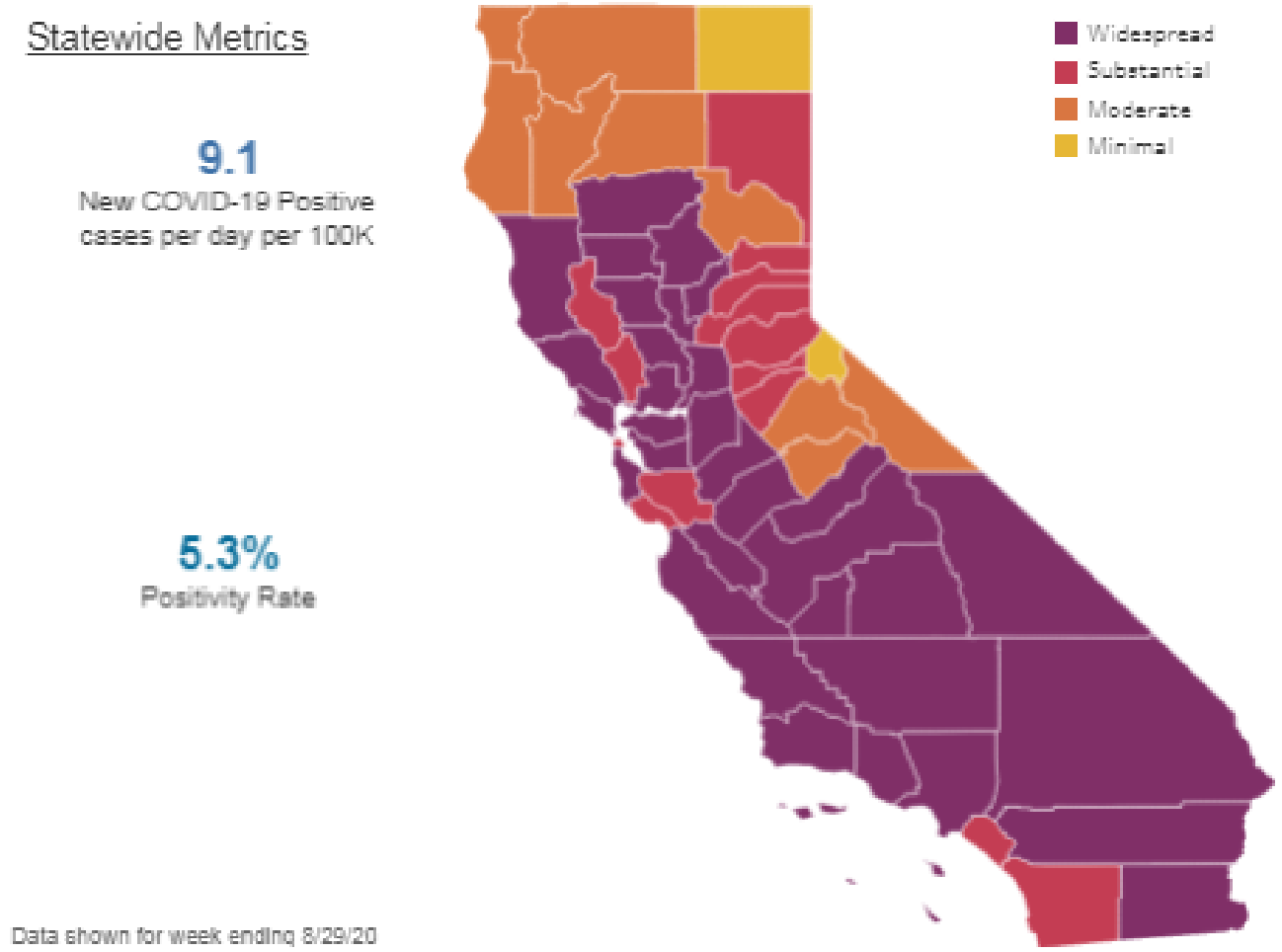
As of September 8, 2020, nearly one-half of California's counties are in the most restrictive tier.

County risk level	New cases	Positive tests
WIDESPREAD Many non-essential indoor business operations are closed	More than 7 daily new cases (per 100k)	More than 8% Positive tests
SUBSTANTIAL Some non-essential indoor business operations are closed	4 - 7 daily new cases (per 100k)	5 - 8% Positive tests
MODERATE Some indoor business operations are open with modifications	1 - 3.9 daily new cases (per 100k)	2 - 4.9% Positive tests
MINIMAL Most indoor business operations are open with modifications	Less than 1 daily new cases (per 100k)	Less than 2% Positive tests



What are the tiers, and how do counties progress through them?

Each county's tier is currently assessed based on two metrics: (i) Adjusted Case Rate and (ii) Testing Positivity Percentage. The Adjusted Case Rate is based on the 7 day average number of cases per 100,000 people during the 7 day trailing period. The Testing Positivity Percentage is based on the percentage of positive tests in the county during the 7-day trailing period. The state is also expected to add a third criteria requiring the county to satisfy certain health equity measures including data collection, testing access, contact tracing, supportive isolation, and outreach that demonstrates a county's ability to address the most impacted communities within a county.

To progress to a less restrictive tier, a county must have (i) been within its current tier for a minimum of three consecutive weeks, and (ii) met the criteria for the less restrictive tier for the prior two consecutive weeks.

A county can also regress to a more restrictive tier if such county's adjusted case rate and/or test positivity has been within a more restrictive tier for two consecutive week periods. In connection with such regression, the applicable county will have no more than three days to implement any sector changes or closures.

What does this mean for California Businesses?

The table below provides a detailed description of how businesses are allowed to operate in each tier. Highlights include:

Sector	Widespread	Substantial	Moderate	Minimal
Offices	Remote Only	Remote Only	Open indoors with modification	Open indoors with modifications
Retail	Open indoors, 25% of maximum capacity	Open indoors, 50% of maximum capacity	No capacity limit	No restrictions other than compliance with COVID-19 measures
Restaurants	Outdoor only	Indoors but 25% of maximum capacity, or 100 people, whichever is less	50% of maximum capacity, or 200 people, whichever is less	50% of maximum capacity

What can California businesses do to continue operating and minimize their risk?

Businesses in California should determine what tier their county falls under, and evaluate whether they need to modify their operations in response to the restrictions in the new statewide plan. Regardless of whether a business is reopening or continuing to operate, it should also (1) review the state's Employer Playbook, (2) comply with the reopening guidance for its specific industry, (3) conduct a risk assessment, and develop a COVID-19 Response Plan for each worksite, retail location, office, or other place of business, (4) train employees, (5) implement screening, disinfection, and distancing protocols, (6) require face covering subject to certain exemptions, and (7) post a checklist of all of the above at its facilities.

We will continue to provide updates as the state clarifies and adds to the criteria and guidance under the new reopening plan. Should you have specific questions or like additional guidance to ensure compliance with the evolving re-opening requirements, please feel free to contact Tom Lee, Dylan Kornbluth, or the COVID-19 Reopening Team.

Sector	Widespread Tier 1	Substantial Tier 2	Moderate Tier 3	Minimal Tier 4
Critical Infrastructure	Open with modifications	Open with modifications	Open with modifications	Open with modifications
Offices	Remote	Remote	Open indoors with modifications - encourage telework	Open indoors with modifications - encourage telework
All Retail (including critical infrastructe, except grocers)	Open indoors with modifications - 25% Max capacity	Open indoors with modifications - 50% Max capacity	Open indoors with modifications	Open indoors with modifications
Shopping centers (Malls, Destination Centers, Swap Meets)	Open indoors with modifications - 25% Max capacity - Closed common areas - Closed food courts	Open indoors with modifications - 50% Max capacity - Closed common areas - Reduced capacity food courts (see restaurants)	Open indoors with modifications - Closed common areas - Reduced capacity food courts (see restaurants)	Open indoors with modifications - Reduced capacity food courts (see restaurants)
Hair Salons & Barbershops	Open indoors with modifications	Open indoors with modifications	Open indoors with modifications	Open indoors with modifications
Personal Care Services	Outdoor only with modifications	Open indoors with modifications	Open indoors with modifications	Open indoors with modifications
Museums, Zoos, and Aquariums	Outdoor only with modifications	Open indoors with modifications - Indoor activities 25% Max capacity	Open indoors with modifications - Indoor activities 50% Max capacity	Open indoors with modifications
Place of Worship; Movie Theaters	Outdoor only with modifications	Open indoors with modifications - 25% Max capacity or 100 people, whichever is fewer	Open indoors with modifications - 50% Max capacity or 200 people, whichever is fewer	Open indoors with modifications - 50% Max capacity
Hotels & Lodging	Open with modifications	Open with modifications + fitness centers (10% capacity)	Open with modifications + fitness centers (25% capacity) + indoor pools	Open with modifications + fitness centers (50% capacity) + spa facilities etc
Gyms and Fitness Centers	Outdoor only with modifications	Open indoors with modifications - 10% Max capacity	Open indoors with modifications - 25% Max capacity + indoor pools	Open indoors with modifications - 50% Max capacity + spas, saunas, steam rooms
Restaurants	Outdoor only with modifications	Open indoors with modifications - 25% Max capacity or 100 people, whichever is fewer	Open indoors with modifications - 50% Max capacity or 200 people, whichever is fewer	Open indoors with modifications - 50% Max capacity
Wineries	Outdoor only with modifications	Outdoor only with modifications	Open indoors with modifications - 25% Max capacity or 100 people, whichever is fewer	Open indoors with modifications - 50% Max capacity or 200 people, whichever is fewer
Bars, Breweries, and Distilleries (where no meal provided, otherwise follow restaurant)	Closed	Closed	Outdoor only with modifications	Open indoors with modifications - 50% Max capacity
Family Entertainment Centers	Outdoor only with modifications	Outdoor only with modifications	Open indoors for natually distanced activities with modifications - 25% Max capacity	Open indoors for activities with increased risk of proximity and mixing with modifications - 50% Max capacity

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MEET THE TEAM

Thomas S. Lee

Co-Author, San Francisco

tom.lee@bclplaw.com
+1 415 675 3447

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