

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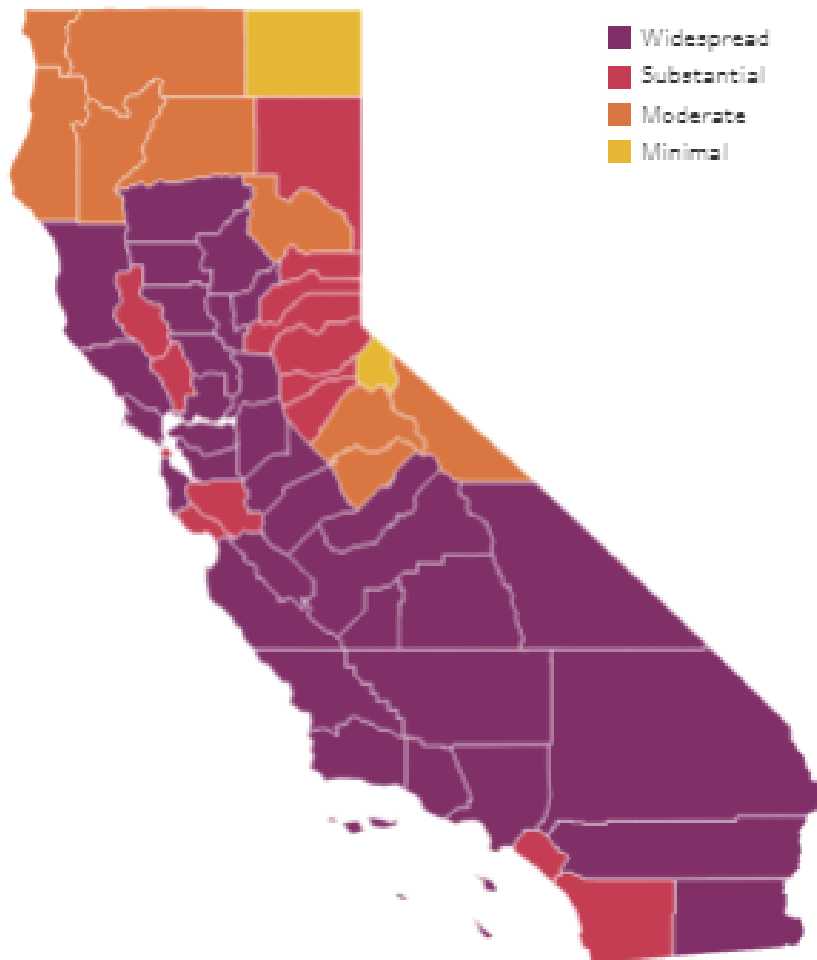
As of September 8, 2020, nearly one-half of California's counties are in the most restrictive tier.

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

## Statewide Metrics

**9.1**  
New COVID-19 Positive  
cases per day per 100K

**5.3%**  
Positivity Rate



Data shown for week ending 8/29/20

## 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<br>- encourage telework  | Open indoors with modifications<br>- encourage telework  |
| All Retail (including critical infrastructure, except grocers)                          | Open indoors with modifications<br>- 25% Max capacity  | Open indoors with modifications<br>- 50% Max capacity  | Open indoors with modifications  | Open indoors with modifications  |
| Shopping centers (Malls, Destination Centers, Swap Meets)                               | Open indoors with modifications<br>- 25% Max capacity<br>- Closed common areas<br>- Closed food courts | Open indoors with modifications<br>- 50% Max capacity<br>- Closed common areas<br>- Reduced capacity food courts (see restaurants) | Open indoors with modifications<br>- Closed common areas<br>- Reduced capacity food courts (see restaurants) | Open indoors with modifications<br>- 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<br>- Indoor activities 25% Max capacity  | Open indoors with modifications<br>- Indoor activities 50% Max capacity                                      | Open indoors with modifications  |
| Place of Worship; Movie Theaters  | Outdoor only with modifications  | Open indoors with modifications<br>- 25% Max capacity or 100 people, whichever is fewer  | Open indoors with modifications<br>- 50% Max capacity or 200 people, whichever is fewer                      | Open indoors with modifications<br>- 50% Max capacity  |
| Hotels & Lodging  | Open with modifications  | Open with modifications<br>+ fitness centers (10% capacity)  | Open with modifications<br>+ fitness centers (25% capacity)<br>+ indoor pools                                | Open with modifications<br>+ fitness centers (50% capacity)<br>+ spa facilities etc                              |
| Gyms and Fitness Centers  | Outdoor only with modifications  | Open indoors with modifications<br>- 10% Max capacity  | Open indoors with modifications<br>- 25% Max capacity<br>+ indoor pools                                      | Open indoors with modifications<br>- 50% Max capacity<br>+ spas, saunas, steam rooms                             |
| Restaurants   | Outdoor only with modifications  | Open indoors with modifications<br>- 25% Max capacity or 100 people, whichever is fewer  | Open indoors with modifications<br>- 50% Max capacity or 200 people, whichever is fewer                      | Open indoors with modifications<br>- 50% Max capacity  |
| Wineries  | Outdoor only with modifications  | Outdoor only with modifications  | Open indoors with modifications<br>- 25% Max capacity or 100 people, whichever is fewer                      | Open indoors with modifications<br>- 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<br>- 50% Max capacity  |
| Family Entertainment Centers  | Outdoor only with modifications  | Outdoor only with modifications  | Open indoors for naturally distanced activities with modifications<br>- 25% Max capacity                     | Open indoors for activities with increased risk of proximity and mixing with modifications<br>- 50% Max capacity |

## RELATED PRACTICE AREAS

- Regulation, Compliance & Advisory
- Employment & Labor
- Environment
- Real Estate
- Restaurant Practice
- Retail & Consumer Products

## MEET THE TEAM



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