COVID-19

**Brief primer for new and amended COVID-19 employment laws**

by Ryan C. McKim, Clark Hill LLP

California has recently enacted or amended COVID-19 employment laws. Some of the laws have broad applicability. For example, Assembly Bill (AB) 1577 amends California’s tax treatment of various loans related to the COVID-19 pandemic. Further, Senate Bill (SB) 93 provides a comprehensive framework for some employers to rehire employees who were laid off because of the pandemic.

Other laws are rather narrow. For instance, AB 654 prohibits the California Division of Occupational Safety and Health (Cal/OSHA) from issuing COVID-19-related prohibitions that “materially impact” delivery of renewable natural gas.

**First, the good news: Tax relief for employers**

The cancellation of a debt is normally a taxable event and usually must be reported as income. AB 1577, however, excludes forgiveness of certain loans from the definition of “gross income” for California tax purposes and thereby reduces taxable income.

Specifically, AB 1577 applies to loans forgiven under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the Paycheck Protection Program and Health Care Enhancement Act, or the Paycheck Protection Program Flexibility Act of 2020. The exclusion applies to “taxable years” beginning on and after January 1, 2020.

**Framework to rehire displaced workers**

Regarding employees who were laid off because of COVID-19, SB 93 requires some employers to provide information to them about job openings for which they are qualified and offer them positions based on a preference system. Generally, the bill applies to employers, “including a corporate officer or executive,” that owns or operates a “hotel, private club, event center, airport hospitality operation, airport service provider, or the provision of building service to office, retail, or other commercial buildings.” The employers must “exercise[] control over the wages, hours, or working conditions of any employee.”

SB 93 defines “laid-off employee” as “any employee who was employed by the employer for 6 months or more in the 12 months preceding January 1, 2020, and whose most recent separation from active service was due to a reason related to the COVID–19 pandemic, including a public health directive, government shutdown order, lack of business, a reduction in force, or other economic, nondisciplinary reason due to the COVID–19 pandemic.”

Under SB 93’s preference system, a covered employer must offer positions to qualified employees: “A laid-off employee is qualified for a position if the employee held the same or similar position at the enterprise at the time of the employee’s most recent layoff with the employer.” If two or more laid-off employees are qualified, “the employer shall offer the position to the laid-off employee

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with the greatest length of service based on the employee’s date of hire for the enterprise.”

Even still, “an employer may make simultaneous, conditional offers of employment to laid-off employees, with a final offer of employment conditioned on application” of SB 93’s preference system. If a covered employer extends an offer to a laid-off employee, she must be given at least “five business days, from the date of receipt,” to accept or reject the offer.

Regardless of whether a laid-off employee accepts or rejects the offer, SB 93 requires employers to keep various records, including records of communications regarding the offers, for three years.

An employer that “declines to recall a laid-off employee on the grounds of lack of qualifications and instead hires someone other than a laid-off employee shall provide the laid-off employee a written notice within 30 days, including the length of service with the employer of those hired in lieu of that recall, along with all reasons for the decision.”

A laid-off employee may file a complaint with the Division of Labor Standards Enforcement (DLSE) for violations of SB 93. The DLSE is empowered to award the laid-off employee reinstatement, “front pay or back pay for each day during which the violation continues,” penalties, interest, and injunctive relief. Importantly, an “agent of the employer, or other person who violates or causes [a violation]” may be liable for civil penalties. SB 93 specifically precludes imposition of criminal penalties, however.

SB 93 contains a sunset provision. It “shall remain in effect only until December 31, 2024, and as of that date is repealed.”

**Cal/OSHA, delivery of renewable natural gas**

Under the California Occupational Safety and Health Act of 1973, if Cal/OSHA determines a place of employment “exposes workers to the risk of infection with [COVID-19],” it may prohibit entry there, among other things. AB 654, however, provides Cal/OSHA’s prohibitions cannot “materially interrupt” the delivery of “renewable natural gas.” Instead, the division may issue prohibitions in a manner so as not to “materially interrupt” the delivery of renewable natural gas.
AB 654 took “effect immediately” and “shall remain in effect only until January 1, 2023.”

**Forestry Department and PPE**

AB 579 authorizes the Department of Forestry and Fire Protection to purchase personal protective equipment (PPE) from private entities, not just California’s Prison Industry Authority. The authority operates industrial, agricultural, and service enterprises that provide products and services needed by federal, state, and local governments.

Despite any requirements for state agencies to purchase Prison Industry Authority products, AB 579 provides the Department of Forestry and Fire Protection may purchase PPE from the “authority or private entities” based on the department’s “needs and assessment of quality and value.”

**Bottom line**

Laws concerning COVID-19 are changing quickly. Some of the laws take effect immediately and have very significant consequences for failure to comply. Therefore, to minimize liability, it is important for you to stay current with respect to laws concerning COVID-19.

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The views and opinions expressed in the article represent the views of the author and not necessarily the official views of Clark Hill LLP. Nothing in this article constitutes professional legal advice or is intended to be a substitute for professional legal advice.

**Recent police reform legislation: one step up**

by Jonathan Holtzman, Renne Public Law Group

On September 30 and October 1, 2021, Governor Gavin Newsom signed nine new police reform bills into law. The legislation addresses several important aspects of how public safety is delivered by peace officers across the state.

The bills reflect movement toward addressing public concerns about policing but skirt many of the “sacred cows” at the core of public concerns, such as the police officer protections provided in the Public Safety Officers Procedural Bill of Rights Act (POBRA) or the use of arbitrators in police discipline. In short, these bills are a start, but there’s more to be done in areas where there is greater pushback from police unions. It remains to be seen whether the legislature is up to the task or whether police reform efforts will remain primarily a patchwork of local laws and rules.

**Police records bills**

SB 16 (Skinner) focuses on police records, expanding SB 1421. SB 1421 was passed in 2018 and gave the public the right to access records relating to (1) any incident in which a peace officer fired a gun at a person or used force that resulted in serious injury or death, (2) incidents in which an officer committed sexual assault against a member of the public, and (3) incidents in which an officer engaged in dishonesty in the investigation, reporting, or prosecution of a crime or police misconduct.

SB 16 expands public access to records concerning sustained findings involving unreasonable or excessive force as well as sustained findings that an officer failed to intervene against another officer who used unreasonable or excessive force. The bill also grants the public access to any sustained findings of unlawful arrests or searches and discrimination against various protected classes. Before SB 16, these records were confidential under the Penal Code.

Moreover, the bill makes records relating to an incident in which an officer resigned before an investigation is completed subject to release. The bill also mandates that any agency hiring a peace officer review a file containing records relating to any misconduct the officer has engaged in before hiring him or her.

SB 16, and its predecessor, SB 1421, have the potential to bring additional sunshine to police disciplinary records, which may eventually lead to further changes in policing. On the other hand, they will also lead to a great deal of additional work for public agencies that are required to review police officer files in response to public records requests.

AB 603 (McCarty), a bill that would require agencies annually to post online specified information about money spent on law enforcement-related settlements and judgments, is still awaiting action by the governor.

**Peace officer decertification and discipline bills**

The most expansive of the signed bills is SB 2 (Braford). While the bill eliminates certain immunities for peace officers, its primary focus is certification and eligibility of peace officers throughout the state. SB 2 prohibits persons from serving as peace officers if they have been convicted of specified felonies or found to have engaged in certain bad acts. It has a similar prohibition on service if officers have had their certification denied or revoked by the Commission on Peace Officer Standards and Training (POST) or had their name listed on other decertification indices because of misconduct.

The new law requires the Department of Justice to provide POST with necessary disqualifying felony and misdemeanor conviction data for all persons known by the department to be current or former peace officers. The
bill also provides the commission with the power to investigate and determine the fitness of any person to serve as a peace officer in the state.

Creating state authority to decertify police officers for misconduct is a significant and positive change, but sadly, California is one of only four states in this country that had not enacted this reform previously.

**AB 958 (Gipson)** establishes statewide minimum standards for law enforcement agencies to discipline officers who participate in the activities of law enforcement gangs. A law enforcement gang is defined as a group of officers within an agency that engages in a pattern of on-duty behavior that intentionally violates the law or fundamental principles of professional policing.

**Use-of-force bills**

**AB 26 (Holden)** bolsters the legal duty of peace officers to report instances of excessive uses of force by their colleagues and requires that officers who fail to intercede during their colleagues’ use of excessive force be disciplined in the same manner as the officer who engaged in the excessive force.

**AB 48 (Gonzalez)** limits and provides standards for law enforcement agencies’ use of certain projectiles or chemical agents in responding to public gatherings.

**AB 490 (Gipson)** prohibits law enforcement agencies from using restraints or transportation techniques that could result in positional asphyxia.

**Peace officer education/training bills**

**AB 89 (Jones Sawyer)** requires the chancellor of California community colleges to develop a program for a modern policing degree, along with recommendations for creating financial assistance for students of historically underserved and disadvantaged communities. It also raises the minimum age of eligibility to serve as a police officer to 21 years old.

On October 4 the Governor vetoed **SB 494 (Dodd)**, a bill that would have (1) required POST to develop a course of instruction for law enforcement officers in the use of advanced interpersonal communication skills and the use of science-based interviewing and (2) required law enforcement agencies to adopt related policies and conduct regular training in those areas. The governor’s veto message cited cost concerns associated with the mandatory training.

**AB 57 (Gabriel)**, a bill requiring peace officer courses and training on hate crimes is still awaiting action by the governor.

**Use of military equipment**

**AB 481 (Chiu)** requires law enforcement agencies to obtain approval from the agency’s governing body “prior to taking certain actions relating to the funding, acquisition, or use of military equipment.”

**Bottom line**

Public employers of peace officers should review and prepare to implement these new laws. Many of them will require policy changes at the local level. To the extent agency actions are specifically mandated by law, the decisions to make the changes may not be subject to meet-and-confer obligations.

Even if some of the decisions related to these new laws may be outside the scope of bargaining, however, public employers should expect to receive meet-and-confer requests over the manner and consequences of implementation—particularly requests to meet and confer over the effects of the mandatory decisions. Even use-of-force policies, which courts have found to be managerial prerogative, may still require bargaining over effects within the scope of representation, e.g., training and discipline.

AB 26, for example, amends Government Code Section 7286, and that law contains a provision stating, “This section does not supersede the collective bargaining procedures” such as the Meyers-Milias-Brown Act.”

With the exception of SB 16, the newly approved bills do not establish widespread reform, leaving POBRA largely intact. **SB 2**, permitting the decertification of peace officers, is meaningful change, but long overdue. Likewise, some of the principles the new laws incorporate—e.g., limits on use of certain physical restraints, limits on crowd-dispersing techniques, and registries for police officers—are overdue and generally consistent with national trends. Hopefully, these new laws will sustain the momentum around police reform in California and fortify the effort to tackle the more challenging political issues.

It remains to be seen whether the legislature will make changes to POBRA. Police unions will strongly resist such changes, but some other states have taken the issue head-on. Maryland, for example, just repealed its version of POBRA.

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**Employer’s attorneys’ fees award stricken again**

by Mark Schickman, Shickman Law

Under California’s discrimination laws, a prevailing employer may not be awarded attorneys’ fees or costs “unless the court finds the action was frivolous, unreasonable, or groundless when brought, or the plaintiff continued to litigate after it clearly became so.” Does the same rule apply if an employee files an action in court and the employer successfully forces the employee into arbitration?

**Short-lived award of attorneys’ fees**

In actions under the California Fair Employment and Housing Act (FEHA), a successful employee is entitled to recover her reasonable attorneys’ fees. A prevailing employer, however, may not be awarded attorney fees or costs “unless the court finds the action was frivolous, unreasonable, or groundless when brought, or the plaintiff continued to litigate after it clearly became so.” While FEHA claims may be included in a predispute arbitration agreement, under the seminal case of Armendariz v. Foundation Health Psychcare Services, an employer may not limit statutorily imposed remedies or “require the employee to bear any type of expense that the employee would not be required to bear if he or she were free to bring the action in court.”

Does the same rule apply if an employee files an action in court and the employer successfully forces the employee into arbitration? In the following case, the employer’s arbitration agreement authorized recovery of attorneys’ fees for a successful motion to compel arbitration of a FEHA lawsuit, even if the employee’s opposition to arbitration wasn’t frivolous, unreasonable, or groundless.

Michael Patterson, a Charter employee from March 2017 through January 2020, sued the company in court in April 2020 for unlawful sexual harassment/hostile work environment. He alleged repeated unwanted and inappropriate touching. He said he complained to Charter’s HR department and the company responded, after conducting inadequate investigations, by terminating his employment.

Charter asked the court to compel arbitration of Patterson’s FEHA claims under the parties’ written agreement to arbitrate all employment-related disputes. Patterson argued he never saw—much less consented to—the arbitration agreement and the agreement was procedurally and substantively unconscionable, one-sided, and inconsistent with the policies underlying access to the courts in FEHA cases. The trial court decided the arbitration agreement wasn’t unconscionable and there was sufficient notice given by Charter. The court of appeal affirmed that decision.

The agreement stated, “If any judicial action or proceeding is commenced in order to compel arbitration, and if arbitration is in fact compelled, or the party resisting arbitration submits to arbitration following the commencement of the action or proceeding, the party that resisted arbitration will be required to pay the other party all costs, fees and expenses that they incur in compelling arbitration, including, without limitation, reasonable attorneys’ fees.” The trial court awarded Charter $6,912 in the attorneys’ fees incurred in compelling arbitration.

The court of appeal recognized that fee-shifting clause applied only to a motion to compel arbitration, not to the merits of the harassment claim or the arbitration proceedings themselves. Nonetheless, the court decided the general rule applies because a fee-shifting clause directed to a motion to compel arbitration, like a general prevailing party fee provision, risks chilling an employee’s access to court in a FEHA case absent Section 12965(b)’s asymmetric standard for an award of fees. Therefore, a prevailing defendant may recover fees in a motion to compel arbitration only if it demonstrates the plaintiff’s opposition was groundless.

Therefore, the court of appeal sent the matter back to the trial court to determine whether Patterson’s opposition to the motion to compel arbitration was groundless. Only then could fees be imposed in favor of an employer. **Patterson v. Superior Court, SECOND APPELLATE DISTRICT DIVISION SEVEN, B312411.**

**Bottom line**

The trend of the courts is consistent in protecting employees from almost any award of fees or costs in a discrimination action. Calculate that as a given when you analyze the risks and rewards of litigating or arbitrating a discrimination claim.

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**Staffing up during the pandemic: a few tips**

Many employers were optimistic earlier in the year when the COVID-19 vaccination program ramped up in a big way and case counts seemed to be on the decline. Restrictions were eased, and light seemed to appear at the end of the tunnel.

But then came the delta variant, bringing a new surge of illness, hospitalizations, deaths, and fear. All of that complicates a return to the office and efforts to fill vacancies, leading employers in an array of industries to explore how to navigate a lingering labor shortage and how long the problem will persist.
Skills gap part of the problem

When the pandemic hit the United States in a big way in early 2020, the jobless rate soared. But now, late in 2021, many employers are working to resume prepandemic operations and they need to hire back many who were initially thrown out of work. That’s proving to be a challenge, however. Employers in a number of fields remain frustrated they can’t hire enough workers.

Some blame enhanced unemployment benefits that enabled many to get by without going back to work. Those benefits have now ended, but employers still struggle to fill openings. The continuing threat to health keeps others from reentering the workplace, and unpredictable school and childcare schedules are keeping still more off the job.

There are no doubt other causes of the labor shortage, but one reason noted in a recent report from Internet job site Monster—The Future of Work: 2021 Global Outlook—is a worsening skills gap. Monster’s research found nearly a third of employers believe the skills gap has increased over the last year.

The skills most employers are looking for are identified in the report as being mostly soft skills. The report names the top four skills employers want as (1) dependability, (2) teamwork/collaboration, (3) problem solving/critical thinking, and (4) flexibility.

Tips for hiring

Employers may not be able to solve all the problems that are keeping people out of the workplace, but they can take steps to help.

Increase pay. The Monster report stated more jobseekers are looking at salary as “the ultimate deciding factor” when considering a new job. Also, major employers such as Costco, Target, and Amazon have raised wages to $15 an hour and more to attract workers.

Provide opportunity. Monster also notes Gen Z, the youngest age group in the job market, has been shown to be motivated by advancement opportunities. A recent survey found that 78% of new college grads want a promotion in their first year on the job and 86% of noncollege grads say the same. Therefore, Monster advises employers to market their job training programs and other opportunities for growth.

Gear up for virtual hiring. Cornerstone, a company that works with employers to recruit, train, and manage employees, advises employers to make sure they have the right technology to support virtual hiring and onboarding.

That includes making sure technology supports video interviews. Cornerstone points out that video interviews potentially can “expose the more ‘authentic’ or unfiltered side” of an applicant because interviewing from home may feel “less daunting” than a conversation in an office conference room.

Provide support. Another way to be an Attractive employer even during a pandemic is to communicate how employees are supported. Cornerstone suggests focusing on how to support new employees who have been hired and onboarded remotely. Managers should regularly check in with new hires and be available while they settle in.

Set expectations promptly. Another tip from Cornerstone: Set expectations about how employees should be dressed during video calls and what hours employees should keep.

Burnout a factor

Getting people hired isn't the only problem. Employers are finding that many employees aren't at their best because of burnout. Workforce analytics software company Visier recently reported that 89% of employees responding to its survey have reported burnout, with Gen Z and millennials reporting higher burnout than Baby Boomers or Gen X.
The Visier research found the top factor contributing to burnout was an increase in workload. Other reasons include a toxic work culture and employees being asked to complete work faster than they did before.

Employers should be aware of the hazard burnout poses, according to the Visier research. The company’s survey found that 70% of employees would leave an organization to take a job with another employer that offered better resources to reduce burnout.

**WORKPLACE VIOLENCE**

**Warning: Violence is third-leading cause of fatal occupational injuries**

The Occupational Safety and Health Act’s (OSHA Act) General Duty Clause requires employers to provide a safe and healthful work environment for all covered workers, which includes protecting them against workplace violence. With many employees continuing to work remotely because of COVID-19, employers have let their guard down. But the physical, mental, and emotional stresses resulting from the pandemic mean you need to be prepared for conflicts now more than ever before.

**Tensions rising during pandemic**

Disagreements over politics, vaccinations, and mask wearing have fueled violent workplace conflicts over the past 18 months. Based on the most recent available statistics from the National Safety Council, physical assaults in the workplace in 2019 resulted in 20,870 injuries (nearly double the 11,690 assault-related injuries reported in 2011) and 454 fatalities.

In light of the statistics, you must be prepared to confront potential workplace violence on the horizon. Here are some things you should know.

**What is workplace violence?** According to the Occupational Safety and Health Administration (OSHA), workplace violence is “any act or threat of physical violence, harassment, intimidation, or other threatening disruptive behavior that occurs at the workplace. It ranges from threats and verbal abuse to physical assaults and even homicide.”

**When must employers report workplace violence to OSHA?** It depends. OSHA doesn’t have specific workplace violence reporting requirements. Rather, its general reporting requirements apply.

You must report any worker fatality to OSHA within eight hours and any amputation, loss of an eye, or hospitalization within 24 hours. Therefore, if the workplace violence results in a reportable injury as defined by the agency, you must report the situation accordingly.

**What measures should be taken to prevent workplace violence?** According to OSHA, “the best protection employers can offer is to establish a zero-tolerance policy toward workplace violence against or by their employees.” A zero-tolerance policy allows you to remove the violent offender at the first sign of violence, potentially preventing an escalation of the conflict down the road.

You should implement a workplace violence prevention program and incorporate training into regular safety meetings or other periodic policy discussions with employees.

**What should you do if workplace violence strikes?**

Immediately triage the situation. Depending on the circumstances, building security or your local police department may need to get involved. Provide prompt medical evaluation and treatment as necessary, including calling paramedics or sending the employee to urgent care for needed assistance.

When the emergency is resolved, encourage the affected employees to report the circumstances of the incident. Use the information to learn from the situation, and institute corrective measures to avoid similar episodes in the future.

**Be prepared**

Don’t forget to be prepared for the aftermath. Depending on the circumstances, the affected employees may need stress-debriefing sessions or posttraumatic counseling services to help them recover from the violent incident. Understand what services are available to your workers, have referrals at the ready, and encourage them to take advantage of the assistance.

Assess whether an ongoing threat is possible. If so, consider whether an injunction against workplace harassment (i.e., a protection order) against the violent offender is warranted. In Arizona, for example, an injunction may be obtained at your city, county, or justice courts.

**With OSHA enforcement heating up, taking breaks now even better idea**

On September 1, 2021, the Occupational Safety and Health Administration (OSHA) released a memorandum (https://www.osha.gov/laws-regds/standardinterpretations/2021-09-01) establishing a new enforcement initiative to prevent and protect employees from heat-related severe illnesses and deaths while working in hazardous hot indoor or outdoor environments.

**OSHA to crack down on heat-related hazards**

The initiative directs OSHA area offices, on days when the temperature exceeds 80°F, to increase enforcement
efforts to identify potential heat-related hazards present in working conditions before the occurrence of an illness or death. The scope of the initiative applies to indoor and outdoor worksites where potential heat-related hazards exist. The initiative is expected to affect several industries, including manufacturing, construction, oil and gas operations, agriculture, mining, and other industries where employees are exposed to heat above 80°F and the industry has a history of heat-related illness.

OSHA’s memo identifies steps employers can take to mitigate the chances of heat-related illnesses or death. These steps include:

- Granting employees adequate breaks;
- Supplying enough easily accessible cold water for the job duration; and
- Providing, if applicable, a shaded area away from direct sunlight.

- Further, the memorandum directs compliance safety and health officers (CSHOs) to review employers’ plans to address heat exposure.

OSHA provides some guidance for employers on creating a plan and identifying particular elements that a heat exposure plan should include here (https://www.osha.gov/heat-exposure/planning). The agency directs CSHOs to determine if an employer’s plan for heat exposure includes acclimatization procedures (especially for new and returning workers), work-rest schedules, access to shade and water (with electrolytes when needed), and any training records associated with implementing a heat illness prevention program. It also recommends employers pay close attention to their employees, especially if they’re not acclimated to the work or the heat, by routinely checking in on them and training them on symptoms and signs of heat-related illness.

In addition to reviewing employer plans to address heat exposure, among other directions, the memorandum directs CSHOs to:

- Review OSHA 300 Logs for any entries indicating heat-related illness(es);
- Review injury and illness reports and obtain any records of emergency room visits and/or ambulance transport, even if hospitalizations did not occur;
- Interview with workers for reports of headache, dizziness, fainting, dehydration, or other symptoms that may indicate heat-related illnesses; and
- Generally observe the working conditions.

If a CSHO determines an employer isn’t in compliance during such inspection, they have the authority to issue a citation to the employer under the General Duty Clause, Section 5(a)(1) of the Occupational Safety and Health Act (OSH Act).

**Bottom line**

Going forward, you should expect a greater chance of OSHA inspections on days the temperature exceeds 80°F. Therefore, you should implement procedures to ensure compliance with the initiative and other OSHA guidelines to avoid a citation or worse.