

# COVID-19 UPDATE



## CALIFORNIA TO LAUNCH SMALL BUSINESS COVID-19 RELIEF GRANT PROGRAM

The “California Small Business COVID-19 Relief Grant Program” will deliver grants of \$5,000 to \$25,000 for businesses with annual revenues between \$1,000 and \$2.5 million. \$475 million in grant funds are available via a streamlined, online application process. Both businesses (including sole proprietors, home-based businesses, and independent contractors) and nonprofits can qualify for this California grant. The grant award ranges from \$5,000 to \$25,000 based on your operation’s annual gross revenue as reported in your most recent (2019 or 2018) federal tax return, as follows:

- Annual Gross Revenue \$5,000 to \$100,000--Grant award \$5,000
- Greater than \$100,000 up to \$1,000,000--Grant award \$15,000
- Greater than \$1,000,000 up to \$2,500,000--Grant award \$25,000

The award is a true grant, not a loan that has to be forgiven. The grant funds are to be used for working capital for your business’s operating expenses – e.g., for payroll, rent, business loan payments, COVID-protective measures, etc.

The grant process is being administered for the State of California by an experienced online lender called [Lendistry](#), and it looks like it will be very straightforward to apply and qualify via the online process that has been developed.

The California grant opportunity will be offered in two “Rounds” – with the first Round running from **December 30, 2020 at 8am to January 8, 2021 at 11:59pm**. Everyone who applies during a Round will be given equal consideration. What is important is that you apply completely during the time the Round is open, and not the order in which your application is submitted. Awards will be announced shortly after the Round closes, around January 13, and a second final Round will be held probably sometime in February. If you apply in the Round 1 and are not successful, your application will be carried over for consideration in Round 2 without the need to reapply. A business can only receive one grant even though there will be two Rounds.

For more information about this CA Relief Grant, you can visit the California State website explaining the program: [California Small Business COVID-19 Relief Grant Program \(carelievgrant.com\)](https://www.carelievgrant.com).

We strongly encourage you to attend one of the daily webinars being put on by California's Small Business Development Center network to explain the program: [Webinar Registration - Zoom](#)

## **PRESIDENT TRUMP SIGNS COVID RELIEF, FEDERAL FUNDING PACKAGE**

President Donald Trump on Sunday signed a year-end spending bill that included \$900 billion in COVID-19 relief, some of which is earmarked for agriculture. In the coronavirus stimulus bill, \$13 billion, which is about 1.4 percent of the total spending, is allocated for direct assistance to farmers and ranchers.

In the \$13 billion for agriculture, funding will go to:

- \$11.2 billion to the Office of the Agriculture secretary
- \$870 million to supplemental Dairy Margin Coverage program, as well as a dairy donation program
- \$300 million to the Commerce Department to assist fisheries
- \$200 million over 10 years (\$20 million per year) to address gaps in nutrition research
- \$100 million for specialty crop block grant programs
- \$100 million for local agriculture market programs
- \$75 million for farming opportunities training and outreach
- \$75 million for Gus Schumacher nutrition program
- \$60 million for interstate shipment grants
- \$28 million for farm stress programs

Additionally, the \$11.2 billion of direct financial assistance to farmers will be made through a new round of Coronavirus Food Assistance Program (CFAP) payments. The legislation makes two important amendments to the second Coronavirus Food Assistance Program (CFAP 2). First, it allows producers to amend their CFAP 2 applications to include crop insurance payments in their total sales data. Second, it gives CFAP 2 recipients the choice of reporting sales data from 2018 instead of 2019.

This was included to assist growers who experienced severe losses in 2019. However, the option is open to all CFAP 2 recipients. If reporting 2018 data yields a larger payment than 2019, you may resubmit. We will provide additional information on this resubmittal process once it becomes available. Please note: the legislation does not create a CFAP 3 program nor does it change the current rule that sales data must be based on "raw" - not packed or finished - commodities. If you have any questions regarding this new funding package, please do not hesitate to contact our office.

## **2021 LEGISLATIVE UPDATE**

As 2021 approaches, please see below for a brief overview of several new laws that will go into effect in 2021.

### **Minimum Wage Increases**

In 2017, California's minimum wage began a series of increases intended to raise the state minimum wage to \$15 per hour. Effective on January 1, 2021, the state minimum wage will increase to \$13 per hour for employers with 25 or fewer employees, and \$14 per hour for employers with 26 or more employees. It is important to remember that these increases also raise the minimum salary requirement for exempt personnel. Effective January 1, 2021, the minimum salary for exempt employees will increase to \$54,084 per year (or \$4,507 per month) for employers with 25 or fewer employees, and \$58,248 per year (or \$4,854 per month) for employers with 26 or more employees.

### **Wage Order 14 Overtime Thresholds Decrease**

In 2016, AB 1066 set in motion the gradual lowering of the daily and weekly hours of work thresholds for paying overtime to agricultural employees working under Wage Order 14. Effective January 1, 2021, the new overtime threshold for employers with 26 or more employees will be 8 ½ hours per day or 45 hours per week. For employers with 25 or fewer employees, the overtime threshold will remain at 10 hours per day.

### **AB 685**

AB 685 creates a notice requirement at the workplace if an employee is exposed to COVID-19, with “exposed” defined as, “exposure to a person with any of the following”: (1) “a positive COVID-19 test,” (2) “a COVID-19 diagnosis,” (3) “a COVID-19-related order to quarantine” or (4) “a fatality that was caused by COVID-19. The employer must notify exposed employees within one business day of the exposure as well as the employees’ rights to sick leave and other COVID-19 related policies. AB 685 will require an employer, if the employer or representative of the employer is notified of the number of cases that meet the definition of a COVID-19 outbreak, within 48 hours, to report prescribed information to the local public health agency in the jurisdiction of the worksite. AB 685 will require an employer that has an outbreak to continue to give notice to the local health department of any subsequent laboratory-confirmed cases of COVID-19 at the worksite.

### **SB 1383**

The California Family Rights Act (CFRA) makes it an unlawful employment practice for an employer with 50 or more employees to refuse to grant a request by an employee to take up to 12 workweeks of unpaid protected leave during any 12-month period to bond with a new child of the employee or to care for themselves, a child, a parent, or spouse. SB 1383 amended the CFRA to make it unlawful for any employer with five or more employees to refuse to grant a request by an employee to take up to 12 workweeks of unpaid protected leave during any 12-month period to bond with a new child of the employee or to care for themselves or a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner. This expansion creates an inconsistency with the federal Family and Medical Leave Act (FMLA), which also provides employees of employers with 50 or more employees with up to 12 weeks of unpaid, job-protected leave per year. This means employees of employers with 50 or more employees could take up to 24 weeks of unpaid, job-protected leave per year.

If you have any questions regarding these new laws slated to take effect in 2021, please do not hesitate to contact our office.