

From the Capitol: COVID-19 Update



COVID-19

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Discussion questions

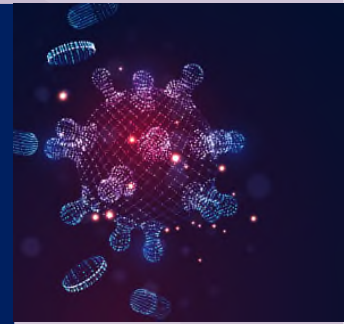
How has Lansing responded to the COVID-19 crisis?

What is the current landscape in Lansing?

How do federal guidelines on reopening impact Michigan?

Will there be more executive orders?

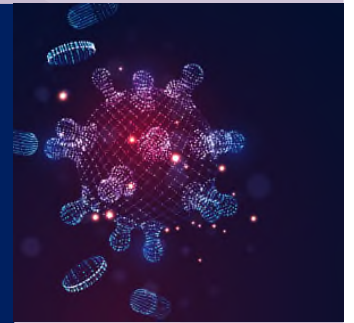
When and how could the state transition out of the stay-home executive order?



Current numbers

“Keep your eye on the ball!” Tom Robbins, author

- First 2 Michigan reported cases recorded on March 10, 2020.
- Current death count in Michigan 2,977.
Recorded cases 35,291
- Seeing plateau – Governor “cautiously optimistic”

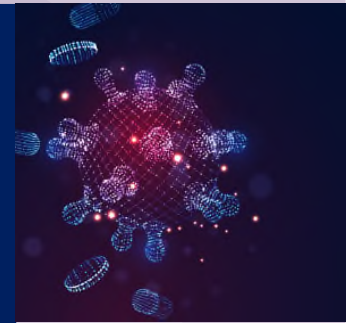


How has Lansing responded to the COVID-19 crisis?

From late February through March, the Governor and Legislature took action to address the effects of the COVID-19 virus

Legislature enacted and Governor signed a \$125 million supplemental appropriations bill.

Governor issued a series of Executive Orders (as of today 58 in total) attempting to address various aspects of government, the economy and the way people conduct their lives and businesses engage or not engage in commerce. The most controversial was EO 2020-42—extending Stay Safe, Stay At Home Order and prohibiting certain travel and business activity.

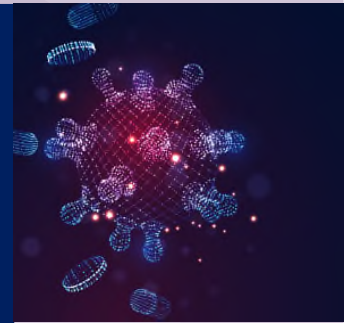


How has Lansing responded to the COVID-19 crisis?

Expansive authority:

Governor relied on her constitutional authority (Art 5, sec 1) as the chief executive officer of the state and statute (Michigan Emergency Powers Act, MCL 30.401 et eq. and the Emergency Powers of the Governor Act, MCL 10.31.EPG

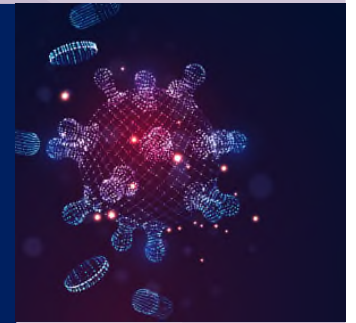
Powers are some of the broadest in the country



How has Lansing responded to the COVID-19 crisis?

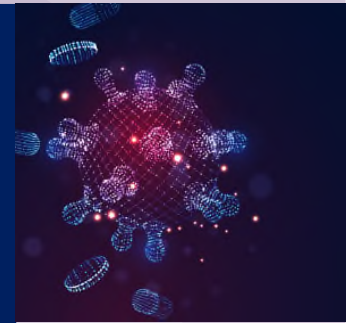
Other Action:

- Governor consulting with governors of surrounding states and federal officials.
- Senate Majority Leader creates a bipartisan task force to make recommendations to the Governor for economic phase-in.
- Senate Republican Plan
- House Republican Plan
- Legislation amending the EMA and EPG
- Additional EO.



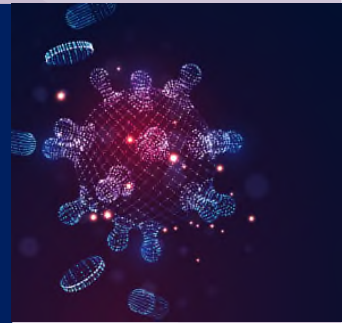
What is the current landscape in Lansing? Health concerns

- Is this threat ongoing?
- Will it be as bad or worse in the fall?
- What about disproportionate affect the virus has had on people of color and the urban poor? Governor's Task Force
- Burden on Health Systems, Law Enforcement, First Responders and Health Care Professionals
- K-12, Colleges and Universities.
- What about the college football Saturday?!!!!



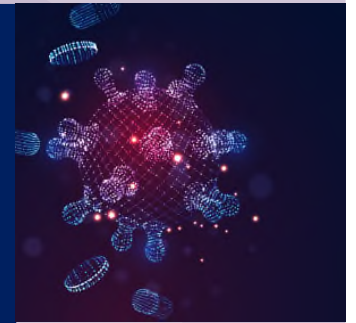
What is the current landscape in Lansing? Economic concerns

- Economic - 24% unemployed
- How long will it take to get the economy back?
- Unemployment compensation system
- How many small businesses will never return like bars and restaurants
- Effect on auto industry
- Other



What is the current landscape in Lansing? Fiscal concerns

- Projected \$1.8 billion General Fund budget deficit in CURRENT FISCAL YEAR!
- Projected \$550 million shortfall in the SAF in CURRENT FISCAL YEAR!!



What is the current landscape in Lansing? Budget concerns

- How do decision makers fill the budget hole?
- May Revenue Estimating Conference—establishes target figures for current and upcoming budget.
- Executive Orders cutting the budget.
- Negative supplementals.
- Layoffs.
- Consequences:
 - Medicaid caseloads
 - Unemployment insurance state liability
 - If drastic action is not taken, next fiscal year will be worse than 2020.



What is the current landscape in Lansing? Political concerns

“Politics is the art of the possible.” Bismarck.

- Election Year:
 - Polarizing
 - Current Make-up of Legislature—all House seats up for election as is U.S. Senate seat and Presidential election.
- Current Polling Numbers and whether the office holder can act boldly.
- Can a Republican Legislature and a Democratic Governor achieve compromise in an election year?

Let's hope that will be the “art of the possible!”



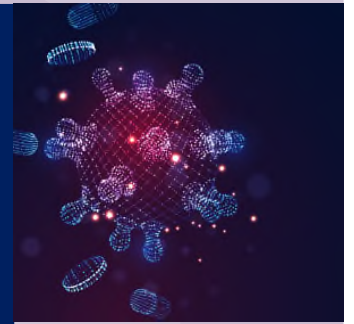
Reopening Michigan

How do federal guidelines on reopening impact Michigan?

- Guidance only, but political impact

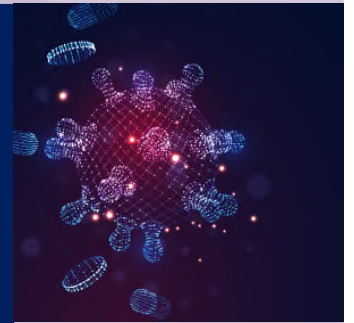
Will there be more executive orders?

- Yes!



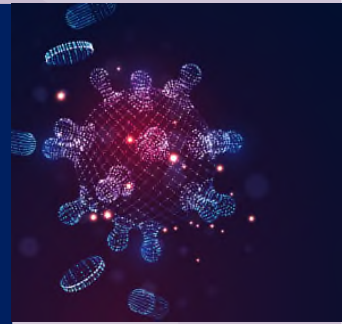
Reopening Michigan – What's going on?

- Public pressure
- Extension of stay-home order
- Immediate relief for low-risk activities
- Legislative actions
- Midwest Governors
- Michigan Economic Recovery Council and the Reopening plan



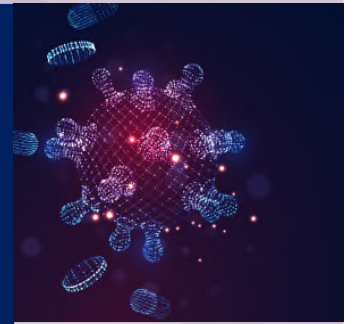
Public pressure

- Lansing protests
- Local law enforcement
- Media attacks
- Business community
- Legislative pressure



Extension of stay-home order

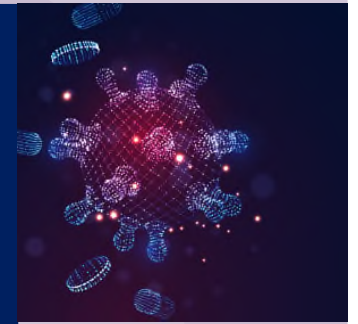
- Governor Whitmer extended the stay-home order until May 15
- One or more extensions anticipated



Revisions to Stay-Home Order

Workers who perform resumed activities:

- Process remote orders for curbside pickup
- bike maintenance/repair
- garden stores, nurseries, lawn care, pest control, landscaping operations – subject to enhanced restrictions
- maintenance workers and groundskeepers necessary to maintain safety and sanitation of places of outdoor recreation (but no provision of items to individuals) – subject to enhanced restrictions
- moving or storage operations – subject to enhanced restrictions



Revisions to Stay-Home Order, cont'd



Enhanced restrictions for workers who perform resumed activities:

- Barring gatherings of any size in which people cannot maintain 6-feet distance
- Limiting in-person interaction with clients to the “maximum extent possible”
- Providing PPE such as gloves, goggles, face shields, and face masks “as appropriate for the activity being performed”
- Adopting protocols to limit the sharing of tools and equipment “to the maximum extent possible” and to ensure frequent and thorough cleaning of tools, equipment, and frequently-touched surfaces

Revisions to Stay-Home Order, cont'd

- Business or operation that employs workers who perform resumed activities, but does not sell necessary supplies, may sell any goods through remote sales via delivery or at the curbside.
- Such a business or operation must otherwise remain closed to the public



Revisions to Stay-Home Order, cont'd



Face-mask restrictions effective 4/26 at 11:59

- Any individual must wear face covering “when in any enclosed public space”
- All businesses and operations whose workers perform in-person work must provide non-medical grade face coverings to workers
- N95 and surgical masks reserved for healthcare professionals and first responders
- Elliott-Larsen nondiscrimination protections apply to persons wearing mask

Revisions to Stay-Home Order, cont'd



Eliminates requirements for big-box stores to close areas of the store:

- Carpet or flooring
- Furniture
- Garden centers and plant nurseries
- Paint

Eliminates ban on advertising vacation properties and non-essential goods

Revisions to Stay-Home Order, cont'd



Low-risk activities allowed:

- Motorized boating
- Golfing, no carts
- Traveling between homes

Revisions to Stay-Home Order, cont'd

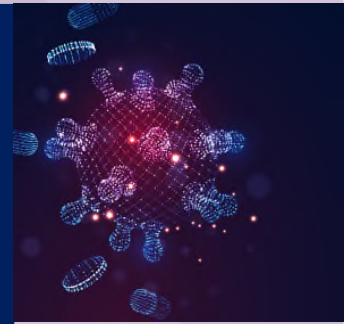


Other:

- Some veterinary services
- Visitations related to child welfare services
- Addiction-recovery meetings
- Michigan state parks remain open but limited

Legislative actions

- Who has the power? Unclear
- Legislature did extend states of emergency and disaster until April 30
- Michigan Senate moves legislation to limit Governor's power
- Concurrent resolution to the joint select committee on the COVID-19 Pandemic
- Further extensions? Showdown?



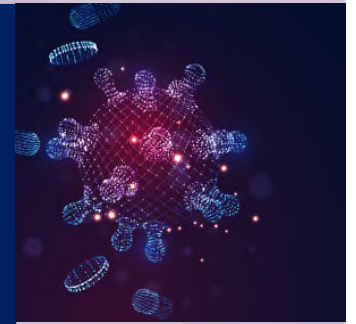
Midwest Governors – Partnership to Reopen Regional Economy

- Governor Whitmer (MI), DeWine (OH), Evers (WI), Walz (MN), Pritzker (IL), Holcomb (IN), Beshear (KY)
- Triggers
 - Sustained control of the rate of new infections
 - Enhanced ability to test and trace
 - Sufficient capacity to handle resurgence
 - Best practices for social distancing in workplace
- Phasing in will be coordinated but different
 - Wisconsin (May 26), Illinois (May 30, Ohio (May 1), Minnesota (May 3), Indiana (May 1)



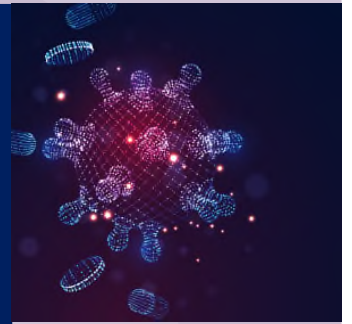
Reopening plan

- Many examples; coalescing around best practices
- Michigan Economic Recovery Council
 - Public health advisory committee
 - Business advisory committee
 - Set of recommendations for how the Governor can stage and sequence a return to normal operations for various industries when order is lifted for non-essential workers.



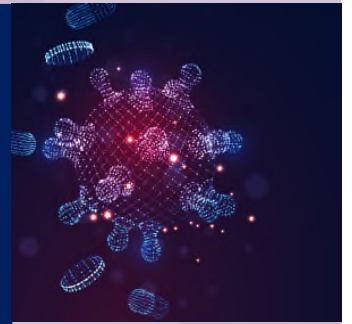
Public health triggers

- Population density
- Rate of spread



Different industries

- Manufacturing
- Construction
- Commercial
- Healthcare
- Schools and universities
- Retail
- Hospitality



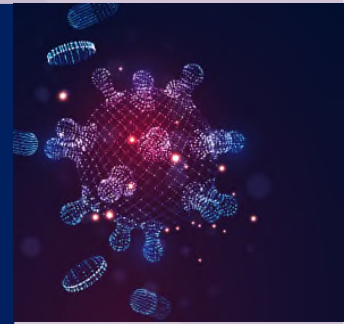
Different regions

- 90+% of cases in 6 counties in SE MI
- Prosperity Regions?



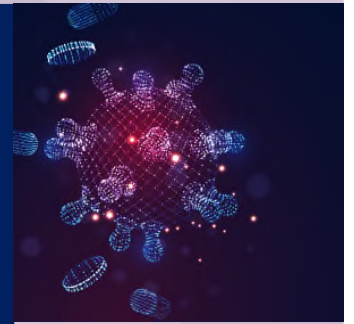
Phases

- Public health triggers for each phase
- Low-risk to medium risk to high risk



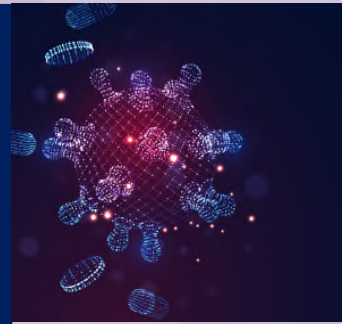
Safety protocols

- Social distancing
- PPE
- Cleaning/disinfecting
- Response plans
- Products and persons entering site – heat tests
- Business and personal travel
- Actions when diagnosis or symptoms



Expectations?

- State will begin to phase out on May 1
- Phase-out process could take months
- Safety protocols in some form could remain for longer
- New normal!



Upcoming Webinars

Register at wnj.com

April 27: Labor and Employment Update: Returning Employees to Work After COVID-19

April 29: Labor and Employment Update: Preparing the Facility for Operations After COVID-19

April 29: What's Next? How Landlords, Tenants and Lenders are Navigating the COVID-19 Pandemic

April 30: Insurance Coverage for Emerging COVID-19 Claims Against Businesses

May 1: Business Update: Managing Your Supply Chains After COVID-19

May 12: Gaining Access to Government Data During COVID-19 with FOIA and OMA

Email covid@wnj.com to subscribe to future eAlerts and webinars.

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Conclusion



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