



# Labor & Employment Issues Client Alert

Pitta LLP  
For Clients  
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**“We believe in the ideas of family, mutuality,  
the sharing of benefits and burdens  
for the good of all, feeling one another’s pain,  
sharing one another’s blessing  
recognizing that at the heart of the matter  
we are bound to each other.”**

**-Mario M. Cuomo-**

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## **GOVERNOR CUOMO GOES TO WASHINGTON AND MAYOR SEEKS AUTHORITY TO BORROW TO COVER BUDGET DEFICIT**

On May 27, 2020 Governor Andrew Cuomo traveled to Washington, D.C. to lobby President Donald Trump to pass a COVID-19 economic relief bill that provides funding and approval for infrastructure projects such as the proposed Hudson rail tunnel, an extension of the 2<sup>nd</sup> Avenue Subway, and expedited approval of an AirTrain from LaGuardia to Manhattan.

The Governor stated that these infrastructure projects will help revive New York’s economy and the prescription to help relieve the country of record unemployment. Governor Cuomo said “you’re spending billions if not trillions of dollars to handle COVID and bring back the economy. At least build things that we can leave our children.”

Governor Cuomo also pressed Congress to pass legislation that provides economic relief to local and state governments to prevent cuts to public services in light of a projected \$13 billion revenue gap.

With no clear Senate support of a bailout bill for local and state governments, Mayor Bill de Blasio asked the state legislature to provide him with the authority to borrow \$7 billion to cover the City’s budget gap caused by COVID-19.

The State barred the City from borrowing to cover operating expenses after the 1970s fiscal crisis. New York City Comptroller Scott Stringer warned that borrowing \$7 billion for operating expenses would cost the City \$11 billion over the next two decades and called for the federal government to bail the City out of the fiscal crisis.

Governor Cuomo stated that he is "banking" on a federal bailout for local and state governments which would negate the City needing to borrow to cover the budget deficit.

## COVID-19 PAID-LEAVE NOT A REALITY FOR MOST WORKERS

The Families First Coronavirus Response Act (“Act”) that was passed in March included a temporary 12-week paid-leave provision for workers with COVID-19. The Center for American Progress has calculated that up to 80% of the workforce may not be eligible for paid leave.

The Act provides workers up to two weeks of paid sick leave at their regular earnings if they’ve been diagnosed with COVID-19, are experiencing symptoms, or are subject to a government quarantine order. For workers with a child whose school or place of childcare is closed because of COVID-19, the Act provides workers with an additional 10 weeks of family leave, paid at two-thirds of the workers typical salary. However, the Act exempts companies with at least 500 workers, most healthcare workers and certain businesses with fewer than 50 employees. The Department of Labor (“DOL”) implemented regulation that denies the paid leave to furloughed workers or when no work is available.

Anthony Advincula, national policy director for Restaurant Opportunities Centers United said that paid sick and family leave is a “mirage for most restaurant workers. It’s there, it’s on paper, but in fine print they’re actually not covered.”

In its paid-leave rule, the DOL estimated that up to 61 million Americans qualified for benefits which represents 47% of the workforce. However, the DOL stated that it based this number on workers with employers with less than 500 employees and acknowledged that the number is lower with the exclusions of small businesses and healthcare workers. The paid-leave rule can be accessed [here](#).

New York State Attorney General Letitia James brought a lawsuit against the DOL alleging that it has defied congressional intent by excluding the healthcare workers and providing employers with leverage to deny leave when work is not available.

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