

Arizona Expands Unemployment Insurance, Provides Guidance on Essential Services in Response to COVID-19

March 24, 2020

Arizona Governor Doug Ducey has issued Executive Order 2020-11, making changes to the Unemployment Insurance (UI) program in order to help employees affected by the coronavirus (COVID-19) pandemic obtain unemployment benefits.

The changes were made retroactive to March 11, 2020, and include the following revisions to the UI program:

- Allowing employees who have seen their hours reduced or eliminated due to their employer ceasing or reducing operations to qualify for UI benefits;
- Allowing employees who are unable to work due to a quarantine and are out of paid leave to qualify for UI benefits;
- Allowing employees who leave employment due to a risk of exposure or infection, or to care for a family member to qualify for UI benefits;
- Allowing workers separated from work for other reasons related to COVID-19, and consistent with Department of Labor guidelines, to qualify for UI benefits;
- Waiving the job search requirement for UI benefits (A.R.S. § 23-771(A)(3) and (4)); and
- Waiving the one-week waiting period for receiving UI benefits (A.R.S. § 23-771(A)(5)).

The Governor's order comes as the number of applications for UI benefits in Arizona has increased sharply. In the week ending Friday, March 20, more than 29,000 workers applied for UI benefits, according to the Arizona Department of Economic Security. Prior to the COVID-19 outbreak, the weekly average was approximately 3,500 applications.

Additionally, on March 23, 2020, Governor Ducey issued Executive Order 2020-12, defining which businesses and operations are considered "essential" by the state. This Order further prohibits counties, cities, and towns from issuing any order that prohibits the performance or function of an essential service. The Order is intended to provide consistency across Arizona and allow both employers and employees to plan accordingly. The Order provides the following list of businesses deemed "essential" businesses and operations:

1. Stores that sell groceries and medicine;
2. Food, beverage and agriculture;
3. Outdoor recreation activities (including walking, hiking, biking, and golf, subject to additional restrictions);
4. Organizations that provide charitable and social services (including religious organizations, food banks, and shelters);
5. Media (including newspaper, television, and radio);
6. Gas stations and business needed for transportation;
7. Financial institutions (including banks and credit unions);
8. Hardware and supply stores;
9. Critical trades (including plumbers, electricians, exterminators, and janitorial and security staff);
10. Mail, post, shipping, logistics, delivery, and pick-up services;
11. Educational institutions (including public and private pre-K-12 schools and colleges, for the purpose of continuing distance learning and performing critical research);
12. Laundry services;
13. Restaurants for consumption off premise (defined as preparing and serving food, but only for consumption off-premises through delivery, drive-thru, carryout, or curbside pickup);
14. Suppliers that facilitate work from home and distance learning;
15. Suppliers for essential business and operations (those that support the other businesses and services listed in the order, including for example, IT and telecommunication equipment, sanitary equipment, plumbing and heating, food and beverage, and so on);

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16. Transportation (including airlines, taxis, rideshare services, and public transit);
17. Home-based care and services (including caregivers, nannies, and meal delivery);
18. Residential facilities and shelters;
19. Professional and personal services (including legal, accounting, and insurance services);
20. Day care centers for employees exempted by this Executive Order;
21. Manufacture, distribution, and supply chain for critical products and industries (including pharmaceutical, technology, communications, healthcare, and food and beverage);
22. Hotels and motels used for lodging and delivery or carryout food services; and
23. Funeral services.

The Executive Order 2020-12 provides that healthcare and public operations (including, for example, hospitals, clinics, pharmacies, and dental offices, but not gyms or fitness centers), human services operations (including long-term care facilities, shelters, and transitional facilities), essential infrastructure operations (including food production and distribution, building maintenance, airports, utilities, and waste removal), and essential government functions (including first responders, law enforcement and court personnel, and park/outdoor recreation personnel) will also remain open.

Please contact a Jackson Lewis attorney if you have any questions.

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