1. NUMBER OF THE MONTH: 7 PERCENT (EMPLOYMENTDECLINE IN LOCAL GOVERNMENT EDUCATION EMPLOYMENT)

2. DECLINE IN UNEMPLOYMENT BENEFIT RECEIPT CONTINUES AT EXTREMELY SLOW PACE

3. PRESIDENT APPEARS TO CALL OFF COVID-19 RELIEF LEGISLATION NEGOTIATIONS

4. NEW YORK INSTITUTES NEW RULES FOR GEOGRAPHIC-BASED COVID-19 RESTRICTIONS

5. SOME LARGE SCHOOL DISTRICTS PLAN FOR TRANSITION TO IN-PERSON LEARNING

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8. GLOBAL SPOTLIGHT ON REOPENING: SPAIN

1. NUMBER OF THE MONTH: 7 PERCENT (EMPLOYMENT DECLINE IN LOCAL GOVERNMENT EDUCATION EMPLOYMENT)

Since February, the last month before the pandemic fully hit the labor market, employment in local government education has dropped by about 7 percent. With the continuing strain on local government revenues, further job cuts are likely unless there are changes in policy. In contrast, as shown in the chart,
local government education employment in the financial crisis (starting from December of 2007, which was the preceding cycle peak) never dropped that much (although it did eventually settle at a level about 3 percent lower).

2. DECLINE IN UNEMPLOYMENT BENEFIT RECEIPT CONTINUES AT EXTREMELY SLOW PACE

At the beginning of October, the estimated number of new initial claims for unemployment assistance declined slightly, to 1.3 million, resulting in the lowest number of new weekly claims since mid-March. However, the new Unemployment Insurance (UI) claims were still at more than 80 percent of the highest level of weekly claims ever received during the Great Recession, and more than four times the typical weekly level pre-pandemic. As many as 25.5 million Americans were estimated to be receiving some form of unemployment benefit the week ending September 19, the lowest level since April. Receipt of Pandemic Emergency Unemployment Compensation (PEUC)—13 weeks of additional unemployment benefits for recipients who have exhausted regular Unemployment Insurance (UI) benefits—and Extended Benefits—up to 13 weeks of additional benefits for recipients who exhausted PEUC—continues to sharply increase (respectively, 9 percent and 31 percent over the prior week), reflecting the growing number of people who have been out of work for an extended period.

3. PRESIDENT APPEARS TO CALL OFF COVID-19 RELIEF LEGISLATION NEGOTIATIONS

On Tuesday, the President tweeted that there would be no agreement on another round of COVID-19 relief prior to the election before calling on Congress to pass standalone bills with provisions—like support for airlines, small business, and stimulus checks—that the Administration and House Democrats have both favored. However, Democrats have signaled that they will not consider standalone bills without a commitment for additional relief for Democratic priorities like state and local aid. The week prior—with airlines announcing plans for tens of thousands of layoffs that will go into effect without another round of Federal relief—House Speaker Pelosi had asked airlines to hold off in light of ongoing negotiations. While Speaker Pelosi and Secretary Mnuchin were continuing to talk about a broader package, Senate Republicans are thought to be opposed to a deal that would not get a majority of Senate Republican’s support, making prospects for a deal before the election dim.

4. NEW YORK INSTITUTES NEW RULES FOR GEOGRAPHIC-BASED COVID-19 RESTRICTIONS

New York is moving to a zone-based approach to restrictions, defining areas of impact based on proximity to clusters of new cases. Governor Andrew Cuomo used his authority to issue restrictions on businesses in five limited geographic areas in New York City (in Brooklyn, Queens, Orange County, Rockland County, and Broome County). Schools, restaurants, bars and gyms, among other entities, will be affected. As a result of the new approach, 169 schools in Brooklyn and Queens have moved back to all virtual learning for at least the next two weeks. The big news is the need for renewed lockdowns in one of the earliest and most hard-hit landing places of the coronavirus. Those who fear a “second wave” of the disease will see in this episode painful evidence that the virus is of no mind to go away quietly.

5. SOME LARGE SCHOOL DISTRICTS PLAN FOR TRANSITION TO IN-PERSON LEARNING
After positivity rates climbed over the 4 percent in the city, Boston announced that it would be delaying its plans to resume some in-person instruction for most students until November. The District of Columbia announced plans for a majority of early learning and elementary students to resume some form of in-school learning beginning in November if COVID metrics continue to be met, though middle and high school students will remain virtual until at least January. By contrast, Portland, Oregon public schools announced that they would remain virtual through January 2021 because of the continued prevalence of COVID-19.

6. COVID-19 KNOWLEDGE

Understanding of the coronavirus continues to build, and therefore change. The US Centers for Disease Control (CDC) has again updated its guidance as to the conditions under which the virus can spread from one person to another. Most commonly, the CDC says, the virus is passed through close contact. However, under uncommon circumstances, the virus has apparently spread between persons who were more than six feet apart, or shortly after an infected person left the area; in other words, the virus can become aerosolized, and spread more freely than through droplets that would fall to the ground fairly quickly and close to where they are emitted. The CDC also stated that the infected person spreading the disease can be asymptomatic. Transmission can less commonly occur through contaminated surfaces, and rarely (but not never) between animals and humans. This guidance restores some material that had previously been posted, but had then been removed from the CDC website. The CDC continues to say that the best protection for any individual person is to avoid exposure to the virus.

7. COVID-19 VACCINES

After a few days of uncertainty, the FDA posted its guidance for industry on the standards that must be met to apply for an emergency-use authorization for a COVID-19 vaccine. The guidance requires a median of at least two months of tracking after the final Phase 3 trial injection (most vaccines require two injections) to allow observation of any potential adverse outcomes. This duration would also for observation of virus cases among trial subjects. To demonstrate efficacy, incidences of the virus among those who received the trial vaccine would of course need to be less than those who received the placebo. The FDA states clearly that the language in the guidance constitutes recommendations, not firm rules, but does suggest how the FDA would be likely to entertain any applications that did not comply with the guidance. An FDA spokesman also noted the extreme haste of even this process, and said that the ideal of even longer observation has been overridden by the urgency of response to the pandemic.

8. GLOBAL SPOTLIGHT ON REOPENING: SPAIN

The COVID-19 pandemic was first confirmed to have spread to Spain at the end of January 2020. Genetic analysis has shown that at least fifteen strains of the virus had been introduced into the country by mid-February, allowing for community transmission (all the provinces had confirmed cases close to a month later.) As of 7 October, Spain has reported a total of 835,901 cases and 32,562 related deaths. An article in the New York Times suggested that the reasons for the high number of cases and deaths in Spain were a slow government response, strained health care systems, a lack of central command of the
health care systems, and a large elderly population. Data released by the European Center for Disease Prevention and Control currently rank Spain at the top of a list of countries in the region in the 14-day cumulative number of COVID-19 cases and deaths per 100,000.

During the first wave of the pandemic, Spain issued a State of Alarm and imposed a lockdown on 14 March, and later (on 29 March) announced that all non-essential workers were required to remain at home for the next two weeks. Spain finally ended the State of Alarm on 21 June. However, the number of cases began increasing again in the month of July leading to fears of a second wave and the reimposition of some restrictions, but no national lockdown. Gatherings of more than ten people were banned in the Barcelona metropolitan area, residents were advised to restrict non-necessary travel, nightclubs were closed in August, and face masks were made compulsory in public venues.

Since its relaxation of restrictions, Spain has seen high counts of infections daily (although the numbers of deaths and hospitalizations have remained relatively low compared to the spring), leading officials to blame the increase in cases on increased interactions by the younger population. However, an article in the New York Times indicated that the hasty reopening of the tourism industry, the reversion to decentralized healthcare systems, the lack of plans for the reopening of schools, not establishing recommended virus tracking systems, and the general incompetence of Spain’s politicians are some of the reasons why the country is once again hard hit by the pandemic. Further, accounts of the underreporting of data – new diagnoses using antigen tests are not counted in the official total and there have been increasing delays in reporting – have emerged. To help control the resurgence of the virus and decrease the stress on crowded and overwhelmed ICUs at many hospitals across Madrid, the
government ordered a partial lock-down of Madrid at the beginning of October, and many cities have subsequently followed.

The pandemic has led to a sharp downturn in Spain’s economy, with an expected contraction of 11.2 percent and an unemployment rate of around 17 percent this year. According to reports, Prime Minister Pedro Sanchez “unveiled a major plan to boost [Spain] out of recession by spending 140 billion euros of European Union aid to reshape the economy, with the aim of creating 800,000 jobs over the next three years.” A major portion of the funds is to be used to get Spain to transition to green energy and a digital economy with the rest of the funds guided towards strengthening the country’s public health systems, improving public infrastructure, and developing skills training programs. It was also noted that another massive spending plan (using national tax revenue and international money market loans) is expected to be announced next week “when Spain’s 2021 state budget proposal is published.”