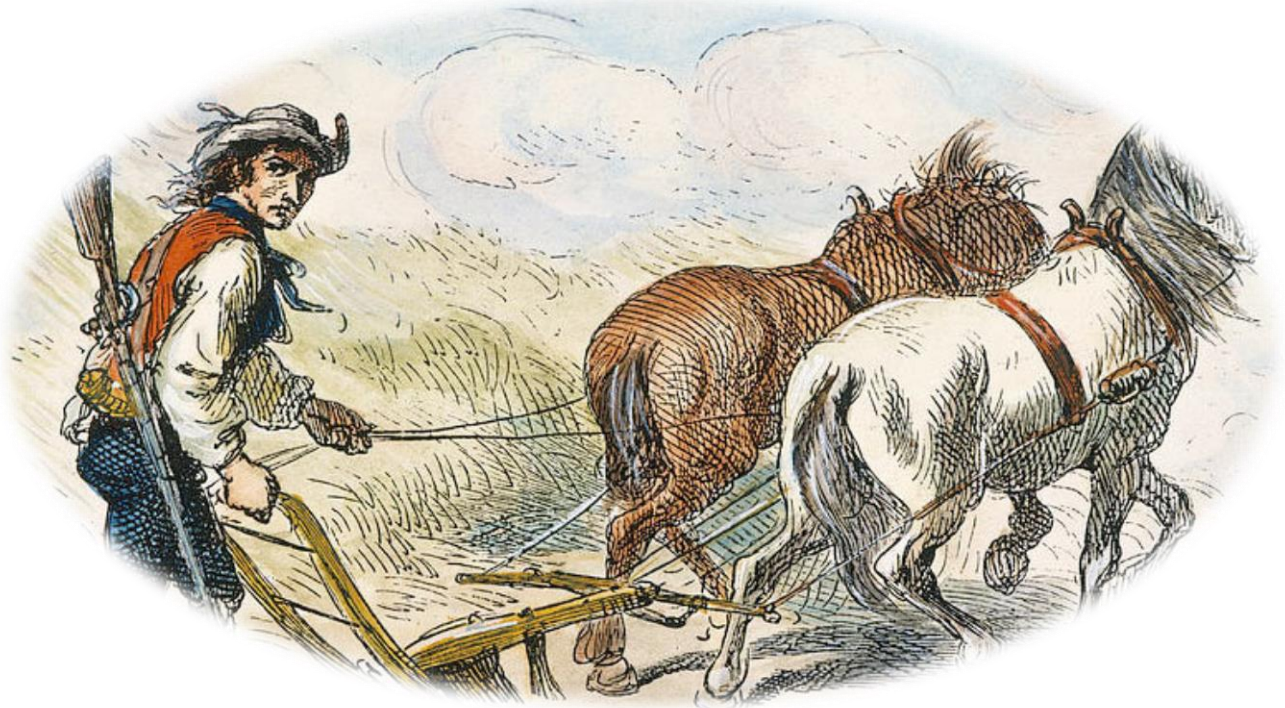




WEEKLY UPDATE APRIL 26 - MAY 2, 2020

Thank God for the Bill of Rights



Authoritarians and petty fascists, eager to issue endless edicts, molt their exoskeletons, as if under their chrysalis suits they were always caudillos, waiting to be reborn with sunglasses and epaulettes. But a free and empowered people, even in times of mortal danger, long nursed on a Bill of Rights, is hard to subjugate or shut up, even after over a month spent locked up in their homes. Thank God, we have a Constitution quite different from those of European nations, which are themselves far superior to other alternatives. – Victor Davis Hanson, See page 29.

THIS WEEK

SPECIAL SUPERVISORS MEETING

TUESDAY, APRIL 28, 2020 9:00 AM

PUTTING THE COVID LOCKDOWN GENIE BACK IN THE BOTTLE IS LIKE ENDING A WAR – EASY TO START AND HARD TO GET OUT

NEGATIVE BUDGET IMPACTS OF LOCKDOWN JUST STARTING

CONSTITUTIONAL VIOLATIONS OF THE COVID LOCKDOWN

**HISTORICAL LEGACIES OF PANDEMICS
WILL THE U.S. EMERGE AS A MORE SOCIALIST NATION?**

FLOCKS OF SENTINEL CHICKENS & NOW SENTINEL HUMANS

LAST WEEK

**-QUESTION NEVER ADDRESSED-
DID HILL ACTUALLY RESIGN AS CHAIRMAN?
OR
IS IT A TEMPORARY ASSIGNMENT TO COMPTON WHICH COULD
BE REVOKED?**

**COVID-19 UN-LOCKDOWN PLANNING STARTED
BUT IT'S SELECTIVE AND COULD BE TOO SLOW**

LOS OSOS SEWER RATE HIKE APPROVED

ACTUAL START PENDED UNTIL END OF COVID-19 CRISIS
BOARD ASKED TO WAIT UNTIL OPPONENTS CAN RESPOND AFTER COVID
SHUTDOWN OVER – BUT HEARING WAS CONDUCTED AND RATES RAISED

COUNTY APPROVES EMPLOYEE PAY AND BENEFIT RULE FLEXIBILITY IN THE NAME OF COVID-19

BUT YOUR BARBER SHOP, CAFÉ, APPLIANCE STORE, ETC., IS ON
LOCKDOWN – WHILE MANY GOVT. WORKERS ARE ENJOYING PAID
STAYCATIONS

\$4.2 MILLION NACI PIPELINE REPAIR APPROVED

2ND ONE IN LESS THAN 10-YEAR OLD FACILITY'S EXISTENCE

SLO COLAB IN DEPTH SEE PAGE 25

CALIFORNIA CANNOT SUSTAIN GREAT DEPRESSION 2.0 MUCH LONGER

BY LEE OHANIAN

IT'S A FREE COUNTRY, BROTHER'

BY VICTOR DAVIS HANSON

Thank God for the Bill of Rights

THIS WEEK'S HIGHLIGHTS

Special Board of Supervisors Meeting of Tuesday, April 28, 2020 - 9:00 AM (Scheduled)

Remote Viewing/Listening - Members of the public who wish to watch or listen to the meeting can find links for live-streaming the meeting at:

<https://www.slocounty.ca.gov/Departments/Board-of-Supervisors/Board-Meetings,-Agendas-and-Minutes.aspx>

Live Verbal Public Comment - *At the start of the meeting or when the item you would like to speak about is called, please call (805) 321-0555. While you wait for your call to be screened, you will be hearing the meeting live on the other end of the phone. Staff will answer your call as quickly as possible. Please be prepared with the agenda item number you would like to speak about and your name. Staff will then place you in a queue for your item. When it is your turn to speak, the Clerk of the Board will announce your name and then you can speak for 3 minutes.*

If you are getting a busy signal, that means our queue is full, please continue to call until you get through.

Item 1 - Update of COVID-19 in San Luis Obispo County. There is no written material on the item in the electronic agenda package. The report is likely to be a PowerPoint presentation led by the County Health officer.

Item 2 - Consideration of a letter to Governor Gavin Newsom regarding reopening of local businesses. The proposed actual letter text was not included in the electronic agenda file as of the close of business Friday. It is expected to request the Governor to allow counties to phase in the opening of the economy, based on the precautions which the County has already taken and its low infection rate. It may also attempt show the Governor how the County complies with his list of conditions, which must be met for the economy to reopen. These are contained in the list below:

1. *Monitor and protect communities through testing, contact tracing, isolating and treating people who are positive or exposed*
2. *Prevent infection in people who are at risk for more severe virus symptoms*
3. *Handle surges in hospitals and public health systems*
4. *Develop new therapeutic treatments*
5. *Introduce new ways to allow for greater social distancing in businesses, schools and child care facilities*
6. *Determine if and when to reintroduce certain measures*

Governmental control of the situation is beginning to slip away as millions of citizens have lost their jobs and millions more lose them each week. Similarly, millions of small businesses are shuttered, and many will not survive the closures. Many proprietors we talk with are planning to simply quietly open in defiance of the Federal, State, and County lockdown orders.

Should authorities attempt enforcement, it is certain that protests and civil disobedience will blossom and then become extensive. It is possible that local police chiefs and sheriffs will refuse to make large-

scale arrests of barbers, restaurant owners, shopkeepers, and tasting room operators. Would they shut down and arrest a COSTCO manager, wedding venue, factory, or car dealership?

The public is also beginning to question the Emergency Stay at Home Order, which has been renewed and continues until May 16th. Questions are mounting over its legality, particularly when the COVID disease seems to have limited impact in the county.

In effect, the County (and the State separately) quarantined everyone. Normally during a pandemic it is the sick, those who have been exposed to the sick, those who have symptoms, those who are particularly vulnerable, people in areas and entire areas where the disease is prevalent, travelers, and those who operate in close quarters, such as the military and schools, that are quarantined. Here, and for the first time in American history, the government has quarantined everyone.

The County Board of Supervisors appears to be seeking a way out. Separately, a large and diverse project team is working on a plan to recover the economy. This is expected to come out next week. A key question is how it will deal with the massive economic damage already incurred and which is going to continue to occur.

For example, if Cal Poly determines to conduct the fall and winter quarters starting next September by long distance learning, tens of thousands of students, faculty, and support personnel will not be present in the community. In turn this means that apartment units will be vacant, businesses will not have customers, sales taxes will drop, and banks will see defaults on loans.

Simultaneously, we are edging ever closer to the closure of Diablo with its 2000 jobs and \$1billion dollar annual economic contribution, both direct and indirect.

Even if SLO County opens up, will Mindbody and its 700 employees open up, since its business is serving businesses nationwide, which may remain closed in other parts.

What is being proposed for existing important primary sector industries such as oil and gas, gravel, and agricultural processing, which the community has generally discouraged?

What about the hospitality industry, especially hotels?

Will the community support the continued operation of major attractions such as the Oceano Dunes recreation area, which is a huge generator for the hospitality and retail sectors?

Very important will be action at the Federal, State, county, and city levels on ameliorating the savage and destructive regulatory environment. For example, will Sentinel Peaks Price Canyon oil expansion operations be timely approved? What about the proposed luxury hotel on the bluffs above Avila Beach on the former Chevron tank site? Can CEQA be expedited? Why do developers and single-family homeowners need land use permits to build in areas that are already zoned for homes?

Putting The COVID Lockdown Genie Back In The Bottle Is Like Ending A War – Easy To Start And Hard To Get Out

Monitoring for COVID Restart

Two of the six requirements propounded by the Governor for the State and its counties to unlock are:

1. Monitor and protect communities through testing, contact tracing, isolating and treating people who are positive or exposed.

2. Prevent infection in people who are at risk for more severe virus symptoms.

There has been considerable discussion about how difficult this will be in terms of monitoring the 283,000 people in SLO County. There is a better way. Over a decade ago when Avian Flu was a threat, many jurisdictions set up flocks of “Sentinel Chickens” because the virus was transmitted from birds to people. As in this case, the Avian Flu originated in China. It is much more virulent and has a much higher mortality rate than COVID-19. Authorities were worried that birds crossing from Asia to Alaska and thence down the Pacific Flyway would transmit it into California.

Flocks of sentinel chickens were established all over the place. The chickens were allowed to mix with the wild birds and then were tested at the proper interval to determine if the virus was present. Fortunately, the virus never caught hold in North America. China had to exterminate billions of chickens to stop the spread within its own territory.

COVID-19 is transmitted human to human. Why not designate voluntary flocks of Sentinel Humans who would be tested periodically to determine if the COVID was present. Health authorities could deploy the flocks both geographically and functionally. That is, people in different parts of the county would be tested to determine if their area were infected. Cross cutting this would be functional flocks by work groups, students, at risk groups, and people in dense situations, such as health workers, etc. The test is simple and the County would not have to be testing 238,000 people repeatedly. Early detection would be provided, and a hot area could be quarantined instead of the whole society.



Sentinel chickens being serology tested in Delaware.

This project could easily be incorporated into the County’s Reopening Plan at low cost while it reassures the community that a flare up could be detected early and quarantined.

Budget Impacts

The operating budgets of the State, counties, cities, school districts, universities, and many special districts are being savaged by the economic lockdown. Sales taxes, hotel taxes, a number of program-based fees, the State income tax, and ultimately the property tax are declining swiftly.

Unemployment rolls, unemployment insurance costs, public income assistance costs, and the costs of all the other services attendant to an economic meltdown are unprecedented.

Wealthy cities such as Santa Barbara, Santa Monica, and San Diego have already sent layoff notices. At this point there does not seem to be any financial update for SLO County. It is probably going to be presented as part of the 3rd quarter Financial Report. The County already had a problem of unfunded raises, which it had negotiated with some of its labor groups.

Depending on where the stock market ends up on June 30, 2020, Cal PERS, Cal STRS, and county systems may be facing large rate increases next year.

The \$20 billion State surplus has been wiped out, and absent a Federal bailout for states, the need for layoffs and service reductions will be apocryphal. It is well known that if the State catches the sniffles, the counties are in the ICU.

Remember, prior to COVID-19, we were in the greatest American economic boom in history. The disaster was imposed upon us by our governments and by both political parties.

Economic Destruction

Beyond the government financial disaster is the shutdown of the economy. The US economy is consumer driven, and fifty percent is composed of small businesses. By next week 40 million people will have filed for Unemployment Insurance. Millions more are uncounted and unemployed in sectors which are not eligible for unemployment, such as the Gig Economy, intermittent labor, mom and pop operations, fishing, backyard farming, real estate, music teachers, home tutors, domestic servants, landscapers, and part time government workers with less than 960 hours per year.

As the economic pestilence works its way up through the veins to larger industries such as banking, rental apartments, automotive, heavy manufacturing, mining, agriculture, transportation (like railroads and trucking), and energy, the magnitude of the catastrophe may require dire measures and government control of large sectors of the economy. Rationing, shortages, black markets, and social unrest can occur. In 1947 people celebrated when they could buy a toaster, 2 tires at one time, a full tank of gasoline, or a washing machine. They had lived through the 15-year economic lockdown of the Great Depression and then the rationing of WWII.

Restoring the economy will not be a matter of throwing a switch. Soon JC Penny will file for bankruptcy protection, followed by GAP, and even oil companies. Some airlines will not be back. Cattle, pigs, and chickens are already being slaughtered in some areas because there is no way to process them even as the people cannot afford to buy hamburger and pork chops. Millions of other smaller businesses have closed and will not be back. As John Steinbeck wrote of the wholesale destruction of crops plowed under in the Depression because no one could afford to buy the fruit, or the milk, or the soup, while people starved, "There is a crime here that goes beyond denunciation.

There is a sorrow here that weeping cannot symbolize. There is a failure here that topples all our success.”

And SLO County says you can open a Poodle parlor and Santa Barbara County hasn't even begun to address the issue.



VALENTINO is a small cramped corner grocery store in the Cow Hollow section of San Francisco with a few things that you pick up on the way home. It also has a fair wine selection, fresh fruit and vegetables, cold beer, sandwiches, aspirin, the racing sheets, cigars, flowers, lottery tickets, good salami, real SF sourdough, gin, newspapers, transit cards, and toilet paper – essentially everything you need to survive in San Francisco. It is somewhat near where Nancy Pelosi lives and 4 blocks from Gavin Newsom's mother's restaurant. It has been there for over 100 years.

Is it open? So far but with a caveat - **ADVISORY: BUSINESS OPERATIONS MAY BE AFFECTED BY COVID-19 RESTRICTIONS – says the website.**

It's a one-guy operation.

He has to make the sandwiches, bring them outside now, watch the register, stock the shelves, and so on.

Hope he is there next year. There are millions of these all over the county in their own cultural and historic milieus – Queens, high Sierras, East Austin, Bozeman, San Luis Obispo, Millinocket, and on and on.

We hope they are all there. Most are not eligible for the new federal loans, nor do the people have time to do the paper work, charm the bank, and all the rest.

Constitutional Implications of the Shutdown - Relatedly See the Article “It's A Free Country Brother” by Victor Davis Hanson in the COLAB In Depth on page 29

Last week San Luis Obispo County announced that it was lifting a few of the COVID lockdown restrictions. One of these now “permits” persons to attend religious services if they remain in their cars. Weeks before the governmental lockdowns, the Catholic Arch Diocese of Los Angeles and the Episcopal Diocese ended group services and Holy Communion on their own. They have left the

churches open and encouraged people to go in and pray alone as well as maintain distance from each other.

This notwithstanding, and regardless of the situation, the secular governments have no authority to shutter churches or prohibit various types of services. As many of the priests have pointed out, by conducting multiple services for small groups, proper separation can be maintained. Just as the County Board meetings are now attended by some Supervisors in person and some staff, proper separation can be maintained. A church which normally seats 250 could conduct 5 services for 50 each.

The County and its Health Officer, not to mention the Governor, can warn the public about the hazard of close contact at religious services but may not issue edicts prohibiting them. They may not issue edicts on the method of attendance (cars), and they may not issue edicts limiting the ritual.

Under the Stay-at-home order, are officiants of faiths prohibited from vesting the sick and dying to administer last rites, the Prayer for the Dying rituals, and equivalent customs in other religions? It is sometimes customary in churches for the priest and crucifer to accompany the body of one who has died at home from the door of the home to the hearse or ambulance.

The County and the State should forcefully and publicly repeal any references to religious institutions in their respective lockdown orders immediately. It is the peoples' Bishops, Priests, Pastors, Imams, and Rabbis who have the authority and responsibility in this realm. As we have noted, the largest groups took action and set up protocols before the politicians knew what day it was. In fact Christianity's most Holy Week of the entire year was cancelled outright. You had to watch Good Friday Services and Easter Services on TV. Any intrusion is a dangerous precedent for the undermining of the Constitutional separation of church and state.

Other Intrusions:

The right of citizens to peaceably assemble to protest their governments' actions has also been circumscribed. In particular, more and more citizens are thinking of protesting the lockdown itself. It is likely that police chiefs, elected sheriffs, and elected district attorneys will be very cautious of citing, let alone arresting groups who gather on the Courthouse lawn and don't practice 8-foot social distancing. The arrest, booking, and jailing process would be more dangerous from a COVID standpoint than the unsafe social distancing itself. In the end, such citing and/or arrests will ignite a much broader rebellion which may well result in the recall or defeat of the officials involved at the next election.

Many citizens are not afraid of COVID 19 and believe that most governments outside of New York City and some other dense and poverty prone metro areas have considerably overreacted. They are prepared to risk illness and even death to defend their sacred rights.

Promoting Snitching:

On Saturday, April 25, 2020, the San Luis Obispo Tribune did a substantial article on how the lockdown is going and quoted various officials on its enforcement. The paper's editorial policy and slanted news policy mostly defends and provides air cover to the whole progressive left expansion of the generic state, global warming crisis, crushing fees and taxes, and erosion of rights. True to form the article appears under the headline



SLO County gets 800 complaints for shelter-at-home violations. How many citations? Zero

Over the past month, San Luis Obispo County's code enforcement team received around 800 calls on its [hotline for reporting non-compliance](#) of the county's shelter-at-home order, put in place March 23.

The hotline is intended for alleged social distancing violations at businesses, according to county officials. But neither the county, nor any of the seven San Luis Obispo County city jurisdictions responsible for enforcement, has issued a single citation. That's a misdemeanor punishable by a fine of up to \$1,000, up to six months in jail, or both.

The Tribune thinks the County and city staffs are remiss for not citing or jailing anyone. The article continues:

When will local businesses be cited for violations?

Although there's no official threshold on citations, a repeat offender who blatantly continues to violate the shelter-at-home order could face enforcement, Janssen said.

"The county is enforcing the emergency order consistently throughout the county, however, while some businesses come into compliance with one contact or visit, others (take) two or more visits," Janssen said. "Citations will be issued when they have a verified repeat offender that refuses to come into compliance with the order."

Under the shelter-at-home order, public and private gatherings of any number of people outside a household or living space are prohibited.

That's except for [essential businesses](#) such as grocery, gas station and hospital services. On Tuesday and Wednesday, the county announced that [a few sectors of businesses and activities can reopen](#), including pet grooming, recreational fishing and fabric stores.

Outdoor hikes and bike rides are also allowed as long as participants observe social distancing. And family members or roommates who live in the same household can safely join in activities without social distancing.

The article ends with an invitation to snitch:

How to report a shelter-at-home violation

Violations of shelter-at-home and social distancing guidelines can be reported to San Luis Obispo County's hotline at 805-788-2222 or the city of San Luis Obispo's hotline at 805-783-7835

Okay, let's have a little more politically correct Stalinism. You don't like your neighbor anyhow, so report the non-"essential" hairdresser who came by and fluffed her out.



Historical Dynamics of Pandemics ¹

History shows that major pandemics may result in fundamental structural changes in peoples' values, social norms, and behavior. These transitions in turn have upended whole empires and even civilizations. Some examples are highlighted in portions of the list below:

1. Prehistoric epidemic: Circa 3000 B.C

2. Plague of Athens: 430 B.C.

Around 430 B.C., not long after a war between Athens and Sparta began, an epidemic ravaged the people of Athens and lasted for five years. Some estimates put the death toll as high as 100,000 people. Many scholars believe that overcrowding caused by the war exacerbated the epidemic. Sparta's army was stronger, forcing the Athenians to take refuge behind a series of fortifications called the "long walls" that protected their city. Despite the epidemic, the war continued on, not ending until 404 B.C., when Athens was forced to capitulate to Sparta.

3. Antonine Plague: A.D. 165-180

Many historians believe that the epidemic was first brought into the Roman Empire by soldiers returning home after a war against Parthia. The epidemic contributed to the end of the Pax Romana (the Roman Peace), a period from 27 B.C. to A.D. 180, when Rome was at the height of its power. After A.D. 180, instability grew throughout the Roman Empire, as it experienced more civil wars and

¹ The italicized material is from the article: [20 of the worst epidemics and pandemics in history](#) by **Owen Jarus - Live Science Contributor, All About History** 20 March 2020

invasions by "*barbarian*" groups. Christianity became increasingly popular in the time after the plague occurred

4. Plague of Cyprian: A.D. 250-271

5. Plague of Justinian: A.D. 541-542

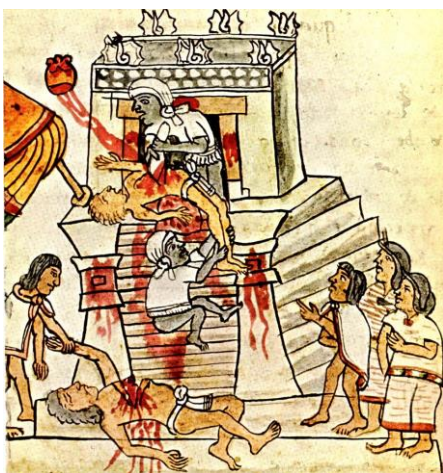
The Byzantine Empire was ravaged by the bubonic plague, which marked the start of its decline. The plague reoccurred periodically afterward. Some estimates suggest that up to 10% of the world's population died.

6. The Black Death: 1346-1353

*The **Black Death** traveled from Asia to Europe, leaving devastation in its wake. Some estimates suggest that it wiped out over half of Europe's population. It was caused by a **strain** of the bacterium *Yersinia pestis* that is likely extinct today and was spread by fleas on infected rodents. The bodies of victims were buried in **mass graves**. The plague changed the course of Europe's history. With so many dead, labor became harder to find, bringing about better pay for workers and the end of Europe's system of serfdom. **Studies** suggest that surviving workers had better access to meat and higher-quality bread. The lack of cheap labor may also have contributed to technological innovation.*

7. Cocoliztli epidemic: 1545-1548

*The **infection** that caused the cocoliztli epidemic was a form of viral hemorrhagic fever that killed 15 million inhabitants of Mexico and Central America. Among a population already weakened by extreme drought, the disease proved to be utterly catastrophic. "Cocoliztli" is the Aztec word for "pest." A **recent study** that examined DNA from the skeletons of victims found that they were infected with a subspecies of *Salmonella* known as *S. paratyphi C*, which causes enteric fever, a category of fever that includes typhoid. Enteric fever can cause high fever, dehydration and gastrointestinal problems and is still a major health threat today.*



As noted below, the epidemic solidified the Spanish conquest of Mexico stated by Hernan Cortez in 1520.

8. American Plagues: 16th century

*The American Plagues are a cluster of Eurasian diseases brought to the Americas by European explorers. These illnesses, including smallpox, contributed to the collapse of the Inca and Aztec civilizations. Some estimates suggest that 90% of the indigenous population in the Western Hemisphere was killed off. The diseases helped a Spanish force led by **Hernán Cortés** conquer the Aztec capital of **Tenochtitlán** in 1519 and another Spanish force led by Francisco Pizarro conquer the Incas in 1532. The Spanish took over the territories of both empires. In both cases, the Aztec and **Incan** armies had been ravaged by disease and were unable to withstand the Spanish forces. When*

citizens of Britain, France, Portugal and the Netherlands began exploring, conquering and settling the Western Hemisphere, they were also helped by the fact that disease had vastly reduced the size of any indigenous groups that opposed them.

Human sacrifice didn't stop the plagues. Neither will sacrificing the economy on the alters of global warming, expanded government, and "free money." Neither will sacrificing people's Constitutional rights based on overblown data about the spread of COVID-19

9. Great Plague of London: 1665-1666

10. Great Plague of Marseille: 1720-1723

11. Russian plague: 1770-1772

12. Philadelphia yellow fever epidemic: 1793

13. Flu pandemic: 1889-1890

14. American polio epidemic: 1916; Reignited in early 1950's

15. Spanish Flu: 1918-1920

An estimated 500 million people from the South Seas to the North Pole fell victim to [Spanish Flu](#). One-fifth of those died, with some indigenous communities pushed to the brink of extinction. The flu's spread and lethality was enhanced by the cramped conditions of soldiers and poor wartime nutrition that many people were experiencing during World War I. Despite the name Spanish Flu, the disease likely did not start in Spain. Spain was a neutral nation during the war and did not enforce strict censorship of its press, which could therefore freely publish early accounts of the illness. As a result, people falsely believed the illness was specific to Spain, and the name Spanish Flu stuck.

16. Asian Flu: 1957-1958

17. AIDS pandemic and epidemic: 1981-present day

18. H1N1 Swine Flu pandemic: 2009-2010

19. West African Ebola epidemic: 2014-2016

20. Zika Virus epidemic: 2015-present day

Now comes COVID-19, colloquially Wuhan Virus. If you listened to government officials and the media, you may well have thought that the end of Western civilization was imminent. Per the imaginary scene to the right, San Francisco would be rendered a depopulated ruin. Caesar from The

Planet of the Apes would take over. Much has been made of the emergence of the coyotes and deer in some neighborhoods.

It turns out that the COVID itself will not destroy society, but the response of the expansionary and vacuous governments in aggregate will cause long term damage, which will weaken us to the point where we are more vulnerable to whatever threats emerge in the future.



LAST WEEK'S HIGHLIGHTS

Board of Supervisors Meeting of Tuesday, April 21, 2020 (Completed)

Missing Item? - Appointment of a Chair of the Board of Supervisors. Supervisor Hill verbally appeared on the electronic link. For whatever reason he did not appear as a video. His main remarks were to praise the staff for their good work on the COVID-19 operations and to vote on the various matters. The Board members apparently feel secure that he cannot reassert his tenure.

Background: After the resignation of Adam Hill as Board Chairman (he says he will continue as 3rd District Supervisor) we expected that an agenda item would be posted to allow the Board to formally accept Supervisor Hill's resignation and to vote to appoint a new Chair. Apparently, County Counsel has concluded that such votes are unnecessary and the succession is automatically provided for in the Board's existing Rules. Specifically, it is asserted that Vice-Chair Lynn Compton is deemed to have acceded and no formal action is required.

The relevant section of the Board Rules of Procedure seems to be as follows:

IV. PROCEDURE

A. A Board Order applies mainly as a directive to County officers or employees. It need not be reviewed in writing, as it generally applies to one specific act only. Board Resolutions and Ordinances must be reviewed in written form before binding action is taken on them.

B. At the first regular meeting of the calendar year after the swearing-in ceremony, a Chair and Vice Chair shall be elected by majority vote of the Board and such Chair shall preside for one year. The process for nominating the Chair and Vice Chair shall be on a rotation basis. Beginning in 2019, the rotation shall be District 5, District 3, District 4, District 2, District 1; with the Chair for a subsequent year serving as Vice-Chair (e.g. 2019 Chair – District 5, 2019 Vice-Chair – District 3). Once completed, the District rotation will start again with District 5 (2024) and continue using the same sequence for Chair and Vice-Chair (District 5, 3, 4, 2, 1). If the person nominated for Chair or Vice Chair declines the nomination, she or he shall be rotated on the list. It is intended, but not mandated, that the Supervisor elected as Vice Chair will succeed the Chair in the following year. In the absence or inability to attend by the Chair or Vice Chair, a Chair protem shall be selected by the members present.

Actually, and as can be seen in the yellow highlighted section, the rule does not seem to specifically address the situation of a Chair who resigns the Chair position mid-term. It really isn't clear that formal action to appoint or confirm a new chair isn't required. This then raises the spectre that Supervisor Hill might start to feel better at some point and come back and assert that he is the Chairman.

Separately, Hill's ostensible resignation as Chair stated in part:

I'm writing to let you know that I will be participating in the board meeting on April 21st. Because I must dedicate time to continue my recovery, I think it is best to turn over the Chair to Supervisor Lynn Compton, who will continue to do a fine job.

The word resignation is never used. Instead it's a "turn over." Does he mean temporary or permanent?

Item 1 - Update on COVID-19 in San Luis Obispo County. After some considerable behind the scenes internal friction between and among Board members, staff, and various pressure groups, it was determined that the Board of Supervisors is at least nominally in charge. If and when the Board begins to assert itself on loosening the lockdown, the conflict is going to blaze anew. It is already clear from articles by various progressive left pundits and interests that they wish the lockdown to continue as long as possible. After all, many left progressive goals are being implemented willy-nilly under the cover of the crisis. Free income, rent holidays, free medical, extensive expansion of unemployment insurance benefits, expanded child care, and housing the homeless in privately owned hotels are all in process. Much of this will be difficult to roll back.

Background I: There was no actual written or graphic report material in the agenda file prior to this writing. There was a verbal report, accompanied by a PowerPoint during the meeting. At this point the focus is shifting to how to end the lockdown and restore the economy to prevent further damage.

The County is preparing a REOPEN Plan but cannot operationalize it until the Governor ends or mitigates State lockdown provisions. This is a significant policy, which means that the County does not intend to defy the State even if it extends its lockdown provisions indefinitely. In the end, the State, County, and city elected and executive officials are likely to bend to the wishes of the public safety chiefs, their unions, nurses' unions, and the Service Employees International Union (SEIU) with respect to the cadence of reopening.

Special meeting next Tuesday, April 28, 2020: Board Chair Compton proposed that the County seek waivers from the Governor's State of Emergency orders relative to the lockdown as well as the Shelter in Place Order. The Board agreed and a special meeting, as noted above, was set.

Background II: The County created a large project team to study the matter and provide recommendations to the County Health Officer and County Executive Officer. Its goal is to come up with a formal "Reopening Plan" by April 26, 2020. Reportedly the team includes subgroups:

The most powerful within the project structure seems to be a group which is called the Project/Authoring Team. It is comprised of 5 physicians and an attorney. Just about everyone else is relegated to the status of "stakeholders." This group includes the business community, social service sectors, government agencies, Cal Poly, school districts, city representatives, and the faith/Religious communities. Clearly, it's weighted toward the medical side. The stakeholders, to the extent that they actually have meaningful role, will be reacting to the overwhelming data and writings of the medical sub-team, which will probably be very conservative in supporting reopening.

Who is on an equivalent team, if it eventually exists, writing the strategy and detailed plan for actually getting business going again? The doctors don't know how to run a restaurant, Jiffy Lube, hotel, car dealership, church, or even a hospital. These groups may be involved as stakeholders, but they are not actual writers. Where are the Farm Bureau and the Vintners Association?

In the larger political and blame environment, the Board of Supervisors, whose role is not clear, the top County management, and representatives of other government agencies are likely to defer to the experts, who can carry the blame if the lockdown ends and then the infection rate starts up again and/or the virus adapts to a more deadly and virulent version. However, as in war, you can have all the generals you want advocating for this or that, but it is the elected leaders who have to make the ultimate calls.

In the case of SLO County, we need leadership that will make it clear to all the experts that the goal is to get the economy going fast. If the generals and admirals don't get that, they need to be replaced. The medical experts must understand that they are to assist in providing the best strategy to do that, but their professional expertise is not the prime directive. SLO County is not part of the outer boroughs of New York City.

Both the Federal Government and the State of California are also working on reopening plans. It is not clear which one takes precedence. What if the County says open up by May 17th and the State says let's continue the lockdown until June 20th?

As of last Friday, the statistics demonstrate a very low number of sick people and only one death in San Luis Obispo County. Given these statistics, one might wonder if the County should ever have been locked down in the first place. Statistically, the actual problem is very small.

The County will not simply rescind its shutdown order. Instead, and if the Governor allows local control, they will phase out the restrictions over time. At the same time they will closely monitor the data to see if the infection rate begins to move up again. Notwithstanding the planning, the County has extended its version of the lockdown to mid-May, another month. For many businesses or people who lost or will lose their jobs, the Plan may come too late. In most pandemics the ill, travelers, and those from areas where the infection rate is high are quarantined. In the current pandemic everyone is quarantined.

Items 4 and 5 - Adjustments to Food Concessionaires Leases at the County Airport. The Board approved waivers of provisions of the leases that require minimum monthly payments. There is no revenue, as most flights are cancelled and no one is traveling. The reprise is necessary for the restaurants to survive. Airport revenues will collapse as the lockdown continues. These include rental car concessions and landing fees.

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Item 16 - Liberalization of a Cafeteria of County Employee Sick, Vacation, Work Hours, Restrictions on Retirees Coming Back and Double Dipping, More Sick Leave if an employee catches COVID- 19, Expanded Vacation Cash Out. These were approved without comment or questions. Last week we quoted these below in detail because they provide a great tutorial on how government never wastes a crisis.

- Emergency Paid Sick Leave Pursuant to the Families First Coronavirus Response Act*
- Suspending the Current Vacation Accrual Cap*
- Suspending the Cap of 960 Working Hours for Temporary Employees*
- Suspending the Restrictions for Retired Employees Returning to Work Pursuant to Emergency Orders*

Temporary COVID-19 Catastrophic Leave Program

Resolution allowing Fair Labor Standards Act Exempt employees to cash-out up to 80 hours of vacation time.

FINANCIAL CONSIDERATIONS

The majority of the costs associated with these provisions are primarily associated with unproductive time or allowing employees to remain in a paid status if they would have otherwise exhausted all leave options and would be in a leave without pay situation. Any actual increased costs associated with these provisions are related to the increased vacation balances by suspending the 320 vacation accrual cap, the ability for exempt employees to cash out up to 80 hours of vacation time under relaxed restrictions, and allowing temporary and retired employees to work more than 960 hours. It is estimated that these additional costs may be up to \$108,000 for the remainder of Fiscal Year 2019-20, and up to \$848,000 for Fiscal Year 2020-21. These are conservative estimates and it is expected that the actual costs will be less. To the extent possible current payroll and trend data was used to arrive at these estimated costs. As these provisions do not extend beyond December 31, 2020, there are no additional ongoing annual costs associated with approval of these resolutions.

Whose Crisis? Will the public employees who still have jobs and benefits sympathize with the private sector employees, small businesses, Gig workers, and others who are on the street with no income and no benefits, and help them get back to work by expeditiously ending the COVID economic lockdown? Or will they the push the World Health Organization’s 12-to-18 month criteria? Imagine, this is going on at the State level and in 58 counties, 450 cities and thousands of special of special districts.

Item 30 - Nacimiento Pipeline Repair. The repair project was approved unanimously and without comment or question.

Background: The line, which opened in 2012, has experienced several breaks. There is speculation that the problem may be caused by faulty welds between the sections or might involve the quality of the steel itself. The repair costs will exhaust the system's reserves. Water rate increases to the citizens in the member users group should be expected over time. These include the City of Paso Robles, Atascadero Mutual Water Company, City of San Luis Obispo, Templeton Community Service and District, County Service Area 10A, Santa Margarita Ranch Mutual Water Company, and Bella Vista Mobile Home Park.

EXHIBIT A

Project Cost Estimates

Nacimiento Water Pipeline
North Salinas River Crossing Repair
Project No. 300641

Expenditures:	FY 2019/20 Estimate	Total Project
Emergency Response	\$250,000	\$250,000
Preliminary Engineering	150,000	150,000
Design, Utility Coord., and AD-15 Processing	575,000	575,000
Environmental	50,000	50,000
Right of Way	50,000	50,000
Construction	2,000,000	2,000,000
Construction management and contingency	1,106,600	1,106,600
Total Expenditures	\$4,181,600	\$4,181,600
Funding Source:		
Nacimiento Operating Fund & Nacimiento Reserves	\$4,181,600	\$4,181,600
Total Funding	\$4,181,600	\$4,181,600

Note: Project Costs will be updated after construction bids have been processed.

It appears that the County is attempting to recover costs from the firms that constructed the pipeline. The write-up states in part:

The County Counsel office is handling legal matters and will continue to update your Board, as well as their respective Counsel offices in each of the Participating organizations. The construction contract will be prepared using standard County terms and conditions, and County Counsel will also review and approve the construction contract as to legal form and effect prior to advertisement.

The leak is located where the pipeline crosses beneath the Salinas River, making the fix costly.

Item 35 - Hearing to consider a resolution approving the San Luis Obispo Regional Transit Authority (SLORTA) incurring indebtedness (bond, notes, or certificates of participation in a lease agreement in an amount not to exceed \$25,000,000 to construct the San Luis Obispo Regional Transit Authority's planned new transit administration, operations and maintenance facility and making certain findings in connection therewith. The endorsement of the project was approved unanimously and with strong support and congratulatory expressions about how the whole thing is so smart and part of the land now contains the big SLO Homeless Service Center, blah, blah, etc. The business neighbors of the Homeless Center aren't so peachy keen on conditions in the area. The presence of the Center has not lessened the activity in the neighboring hobo jungle in the creek area. Visitors to the area can observe many transients in various states of distress and hear the yowling and fighting going on in the woods at all hours.

Background: The Transit Authority is an independent Special District governed by a Board of Directors from the member jurisdictions:

Heather Moreno - City of Atascadero, Andy Pease - City of San Luis Obispo, [Debbie Arnold](#) - Board of Supervisors, District 5, [John Peschong](#) - Board of Supervisors, District 1 – Vice President*, [Bruce Gibson](#) - Board of Supervisors, District 2, [Adam Hill](#) - Board of Supervisors, District 3, Lynn Compton - Board of Supervisors, District 4, Karen Bright - City of Grover Beach, [Fred Strong](#) - City of Paso Robles – President*, [Ed Waage](#) - City of Pismo Beach*, Jimmy Paulding - City of Arroyo Grande, [Robert Davis](#) - City of Morro Bay.

Item 36 - Hearing to consider protests to a proposed sewer service charges increase for the Los Osos Sewer Service Area and if there is not majority protest, adopt the attached ordinance, which establishes the sewer service charges and requirements for the Los Osos Sewer Service Area. There were insufficient protests (votes) to prevent the rate increases. A number of public speakers called or wrote in, opposing the increases in light of the COVID induced economic crisis.

They were also adamant that the issue should be postponed until the COVID episode is over and the economy is returning to normal.

Missed Opportunity? It is strange that the Board majority agreed to delay the increase until after the COVID State of Emergency declaration is rescinded. It could take years, since legally declared states of emergency are often perpetuated for months and even years beyond the actual recovery period to provide legal rationale for state and federal disaster assistance. The residents of the sewer system service area have consistently and overwhelmingly voted for Supervisor Gibson for years. Most supported the sewer system. Why not make them accountable for their choices? Gibson himself has told the other supervisors repeatedly, and particularly those in the Paso Basin, that their constituents have to be responsible for whatever local costs come up, such as SGMA compliance. Moreover Gibson looted millions in capital permitting exaction fees collected for parks in Nipomo and spent the money in his district. The county taxpayers carried the costs of the payments for pended (unused) Naci water for 6 years, giving residents of the cities and special districts who benefited from the aqueduct a \$1.2 million per year break on their take or pay contracts.

A Not So Tongue-in-Cheek Thought. Why not leave the COVID lockdown in place in the 2nd and 3rd Supervisorial districts even after it's phased out in the rest of the county? Gibson and Hill are oh so correct and sciency. They often state in relation to the Dunes dust issue that health trumps everything else. Make the people who elected these guys accountable. Back in the day in Hartford, Connecticut, a typical Democratic machine city, the City never snowplowed the Republican neighborhoods until last and never ever paved their streets. When a Republican was elected governor, the City even refused to plow the city streets within 8 blocks of the capital. One time during a huge blizzard, the Governor and Legislature were trapped in the Capital building without food. Finally, the State highway department plows had to rescue them. Of course, all the big corporations and everyone with a brain fled to the Republican dominated suburbs, and the city, which was once beautiful, has been wrecked. Hill should love it.



At The Meeting: The staff pointed out that the system has insufficient revenues now and that if the first year increases are not implemented on July 1, 2020, there could be a \$400,000 shortfall in the budget for FY 2020-21. This would have to be covered by the County Water Agency/Flood District funds, which would mean that all the County taxpayers would be subsidizing Los Osos. Board members agreed that actual collection of the rate increase should not commence until the

COVID problem and its attendant economic disaster begin to remediate.

It turned out that there was disagreement about the criteria for what will constitute the reduction of the COVID crisis to the point that the triggering of the actual billing for the rate increases could take

place. The issue is complicated by the fact that the rates are collected with the property tax bill, which are on annual cycle with 2 payment dates.

There was a considerable debate about the trigger:

Should it be the date when the Governor lifts his Executive Order Declaring a COVID State of Emergency.

Or

Would it be when the Governor lifts his subsidiary Order rescinding the Shelter in Place provision. The difference is immense.

As Supervisor Arnold pointed out, the Shelter In Place sub-order might be lifted fairly soon, but the State of Emergency could continue indefinitely, as it contains a variety of provisions necessary to manage the energy as well as collect Federal FEMA disaster aid. It could continue for months or years. Sly fox – Bruce.

In the end, the State of Emergency release version was approved on a 4/1 vote, with Arnold dissenting.

Relatedly and since Gibson has been the champion of the whole sewer plant project from the beginning, he owns it along with the operating cost estimates and promises. Virtually all the voting precincts in Los Osos have consistently voted for Gibson election after election. The thought is that they deserve him and the rate increases.

Background: The County staff proposed rate increases for the Los Osos sewer system. Under the law the property owners are afforded an opportunity to stop the increases by protest vote. In this instance, forestalling of the increase would require that owners of 2,632 properties protest.

If there is a majority protest:

- Make a motion that finds that there is a majority protest based on the County's receipt of at least 2,632 written protests for the 5,262 parcels subject to rate increase, and that the proposed ordinance shall not be adopted

The cost to residential properties is displayed in the table below:

When the plant was being proposed and built, the County promised the people that the rates would never exceed \$199 dollars

Single Family Residence Example				
Fiscal Year	Assessment (per month)	Minimum Charge (per month)	Volume by Average CCF	Total (per month) Assessment + Minimum Charge + Volume * CCF
Current (FY 2019/20)	\$85.83	\$48.85	(\$7.54 * 4.32 CCF) \$32.57	\$167.26
Year 1 (FY 2020-21)	\$85.83	\$57.80	(\$7.88 * 4.32 CCF) \$34.04	\$177.67
Year 2 (FY 2021-22)	\$85.83	\$68.40	(\$8.24 * 4.32 CCF) \$35.60	\$189.83
Year 3 (FY 2022-23)	\$85.83	\$70.45	(\$8.49 * 4.32 CCF) \$36.66	\$192.95
Year 4 (FY 2023-24)	\$85.83	\$72.57	(\$8.74 * 4.32 CCF) \$37.76	\$196.16
Year 5 (FY 2024-25)	\$85.83	\$74.74	(\$9.00 * 4.32 CCF) \$38.90	\$199.47

per month. It is interesting that the proposed 5-year plan here is tailored to that number. This “coincidence” raises the question of what is the real number, based on staff analysis, experience running the new plant, and “best utility practices.” Staff should certify that the numbers present the true case.



A number of impacted residents have requested that the matter be pended until after the COVID-19 lockdown is ended. They believe that the current situation precludes the opportunity be able to rally opposition, thereby thwarting citizens’ rights to organize a protest vote. As one engaged member pointed out, “This is Pathetic.”

The Board should set this kind of thing aside for the duration. What skin do the County executives and managers have in the game as these rate payers are laid off and have no income? The County folks are still on the payroll, receiving benefits, and many are at home enjoying a paid staycation.

Added Item 1-(1) - Request for approval to apply for Federal and State disaster assistance on behalf of the County of San Luis Obispo for the COVID-19 pandemic, 2) submittal of a resolution to authorize certain staff to sign disaster recovery documents, and 3) request to approve related Project Assurances for Federal Assistance. The County is now eligible to apply to FEMA for up to 75% of the costs of managing the COVID-19 operations. It can also apply to the State for an additional 12% from the State. If approved, these grants could help pay for some of the costs outlined in **Item 16** above. More significantly, they could help offset the costs of medical supplies, ventilators, overtime, opening the surge medical center at CAL Poly, and other expenses.

Supervisor Hill Speculation & Box Score

This week: It’s too soon to tell, but one issue will be how both Hill and Gibson react to the County’s proposed letter to the Governor requesting local control of the COVID recovery effort.

Last week: Hill participated in the Board of Supervisors Meeting (April 21, 2020) remotely via Zoom or whatever the County is using. There was no public discussion of his situation by the Board members.

Two Weeks ago: As noted at the top of This Weeks’s Highlights above, there could be some question as to whether the Chairmanship resignation is a true resignation or merely a timeout.

Three Weeks Ago: Supervisor Adam Hill resigned his Board Chairmanship on Saturday evening April 11, 2020.

Four Weeks Ago: The Board meeting was canceled. The staff had been diverted to managing the COVID-19 problems and was not bringing forward major business items. Hence, the Supervisor Hill situation remained in limbo. Vice-Chair Compton continued to provide leadership beyond the bureaucratic versions. According to the CalCoastNews, on April 8th, Hill's wife Dee Torres took some sort of legal action to attach the Supervisor's retirement account. This could portend several future paths, including his possible regular retirement or perhaps an application for a disability retirement. On the other hand it could be that they agreed to protect Torres in the future.

Separately, the Republican Party of SLO County sent out an alert encouraging people to request that the Board of Supervisors remove Supervisor Hill as Chairman of the Board. Unsurprisingly, and without even doing a news story, the San Luis Obispo Tribune immediately jumped on this idea editorially with all four feet, calling it a "Cheap Shot." All the while and simultaneously, they were saying that they have questions about Hill's behavior, treatment of others, and past eruptions. Nevertheless they are quick to continue to provide air cover. Is it OK to do bad things as a public official if you are severely depressed? If someone else committed some minor politically incorrect faux pas, such as admiring a colleague's clothing, the left and Tribune would be yowling for disciplinary action.

Five Weeks Ago: On Monday, March 30, 2020, Supervisor Hill issued a news release to the SLO Tribune. Several Tribune articles have since then resulted. According to the articles (so far the actual news release does not seem available generally), Supervisor Hill stated that he did attempt suicide. He also stated that he wished to return to the job he loves. There is some speculation that his wife Dee Torres actually prepared the release. In that case it is not known if Hill actually authorized it. Some cynics theorized that she wants to keep him employed so that he can keep his County health insurance. In any case, he reportedly indicated that he was depressed because of the stress of the reelection process.

This in turn has generated more speculation and questions:

1. Hill seemed ebullient during the Board meeting of March 10th, by which time it was becoming clear that he had eked out a narrow victory over Stacey Korsgaden. He cheerfully presided over the meeting, glad-handed people in the audience, and was courteous to the other Board members. The next day, after the after the FBI raided his home and office under provisions of a sealed warrant, he attempted suicide because he was "depressed."

2. The question then arises whether he was actually depressed by the election campaign or the import of the FBI raids. An important underlying question is whether he is a subject or a witness in the FBI investigation.

3. Is he healthy enough to resume his duties as Chairman of the Board of Supervisors, particularly given the COVID-19 operations and major uncertainty about the ultimate rate of infection and ability of the County to deal with the impacts while at the same time running its normal operations? Add an earthquake, public power shutdowns, large conflagration, civil unrest, other Supervisors becoming sick and incapacitated, or a combination of any of these. Should someone who is vulnerable be filling a slot on the Board, let alone serving as the chief elected official? Should he be the spokesperson and leader of the County in a major health/public safety crisis? For example, suppose the County needs to make a special plea for aid to the Governor or another agency, would Hill have the necessary stature and credibility at this point?

4. There is also the issue of the FBI investigation. Hill may not be a suspect, or whatever is alleged may be found not to have happened. He could be a witness or could have been thought to have records or materials pertaining to a suspect. The press release said that he was cooperating with the FBI. This could mean anything from helping them on the case or to ratting out accomplices in some alleged illegal activity to obtain a lesser charge.

5. Hill was reportedly on a 5150 psychiatric hold for several days. This is a short-term process to confine patients who are determined to be a danger to themselves and/or others.

6. If the seat becomes vacant, the Governor appoints the successor. As noted below in the background section, there had been some speculation that Pismo Beach City Councilman and Coastal Commissioner Eric Howell, a Democrat, might be a potential appointee. Alarmingly, we have heard that SLO Mayor Heidi Harmon might have a shot.

7. All of this combined with Hill's erratic and repeated bullying behavior puts a cloud over the entire Board of Supervisors and senior management. So far and prior to this latest episode, the Board has refused to undertake an investigation of Hill's other repeated irruptions. Even if the FBI investigation evaporates, the basic ongoing problem remains.

Six Weeks Ago: Supervisor Hill did not attend the March 26 Board meeting. News reports indicated that his home had been raided by FBI agents simultaneously with his office back on March 11th. Staffers reportedly attempted to locate him to sign an emergency Declaration as Board Chairman but were unsuccessful.

Seven Weeks Ago: As of Saturday, March 21, no new information had been provided. The County's top of the list website public information posting, in addition to COVID-19, concerned an airline that had cancelled service to Las Vegas.

Eight Weeks Ago: As of Saturday, March 14, 2020, the County had provided no official explanation of what had happened to its Board Chairman, his medical condition, his whereabouts, when he might

return to duty, or anything else. A spokesperson simply stated that he had been released from the hospital and was currently under a physician's care. The County justified this lack of information on the basis of privacy concerns. This is bizarre, as Hill is the Chairman of the Board of Supervisors (the highest elected local official in the County) and has demonstrated successive episodes of erratic behavior over the years. Once someone takes on the mantle of visible public office, he or she forsakes the usual confidentiality customs. Hill is not exactly a Typist I in a remote office.

Background: On March 11, FBI agents arrived at the County Administration building before opening hour and tossed Hill's office. Later that day medical units were dispatched to Hill's residence. It was alleged that the police had to break the door down to enter, and the Hill was found unconscious, a suspected suicide attempt.

You would think that the County would have access to the presenting diagnosis by the paramedics, and, Health Information Privacy Act concerns aside, it would inform the public of the status of its chief elected official.

County leadership and the SLO Tribune (which has gone out of its way to provide air cover for Hill for years) have gone along as if he had an appendicitis or wrist fracture.

Meanwhile speculation about a successor has ramped up with the notion that if the position were to become vacant, Pismo City Councilman and Coastal Commissioner Eric Howell would be a likely pick for appointment by Governor Newsom. On the other hand folks could walk into the next Board meeting and find Hill smiling and glad-handing as if nothing had ever happened. It is of course unknown if the FBI will make a case or if arrests and indictments will come down.

COLAB IN DEPTH

IN FIGHTING THE TROUBLESOME, LOCAL DAY-TO-DAY ASSAULTS ON OUR FREEDOM AND PROPERTY, IT IS ALSO IMPORTANT TO KEEP IN MIND THE LARGER UNDERLYING IDEOLOGICAL, POLITICAL, AND ECONOMIC CAUSES



CALIFORNIA CANNOT SUSTAIN GREAT DEPRESSION 2.0 MUCH LONGER

BY LEE OHANIAN

Between mid-March and mid-April, California obliterated all its job growth of the last decade. More than 3.1 million California workers filed for unemployment over this four-week period, which has increased the state's unemployment rate to at least 17 percent. Continued job loss over the last week may have pushed it up to 20 percent or more. California, and nearly all other states, is experiencing economic declines that we have not seen since the 1930s.

California's employment level has been set back to 2010, which was the trough of California's last recession and a time of enormous state and local government cutbacks, including the distribution of "IOUs" to vendors because the state simply did not have the money to pay its bills.

California, as well as most of the rest of the country, is presently in a great depression. So far, the damage is not as severe as what happened in the 1930s, because the economy has only been shuttered for about five weeks.

But California is different from the rest of the country in two respects that make even a short downturn more serious. This is despite having had the foresight to build a \$20 billion reserve, because that rainy-day fund is already spoken for. Coronavirus-related spending is increasing state expenditures by at least \$7 billion. And as spending is rising quickly, state tax revenue is plunging.

Most major municipalities have produced revised revenue forecasts in the last month. All are facing extraordinary revenue shortfalls, including Los Angeles at \$600 million, San Diego at \$250 million, and San Francisco at \$750 million, and San Jose at \$110 million. Since all these estimates are at least two to four weeks old, you may as well increase these shortfalls anywhere from 20 to 40 percent.

Interestingly, the state has not produced a formal revenue revision, and may not until May or afterwards. But all evidence, including these revised estimates from major cities, point to enormous revenue losses at the state level since Newsom's shelter-in-place order began last month.

In every recession, California inflicts its own wounds by relying on a tax system that is explicitly designed to collect gobs of revenue during booms, but which completely goes in the tank during downturns, much more so than any other state.

To give you a sense of the inefficiency of California's tax system, consider California's economy just after the financial crisis of a decade ago. In fiscal year 2010, California revenue fell by 20 percent, compared to less than a 2 percent drop in state GDP.

Today, the economy is much worse, so there is a race between permitting the depression to continue and sequestering people, versus figuring out how much longer California can hold on without restarting shuttered businesses. Assuming economic activity will slowly resume this spring, as has been suggested by Newsom, it is likely that state GDP will nevertheless decline by 2 percent or more. I will let you do the math to estimate the change in state revenue that can arise from this drop in state GDP. So now you see why California's rainy-day fund has literally vanished. And then some.

Given California's progressive politics, California's tax system leads to awful fiscal outcomes, much worse than need be. Tax revenue extraordinaire during good times means plenty of resources to feed the beast, which in turn generates a never-ending list of pork-barrel projects and new state employees to supervise and regulate those projects.

But when revenue tanks in a downturn, severe budget cuts need to be made. And because the budget is bloated with pork that was adopted previously, key programs and investments that support economic growth and protection get crowded out.

An unfortunate example of this dynamic is former Governor Schwarzenegger's 2006 investment in portable emergency medical facilities and equipment, including ventilators. Schwarzenegger was worried about pandemics and wisely decided to make this investment, including portable medical facilities that together were large enough to fill three football fields.

These investments were terminated in 2011 when then Governor Jerry Brown and the state legislature concluded that maintaining these investments was not worthwhile. And now, the state is paying dearly for this lack of foresight as Newsom and the state legislature scramble to find enough medical equipment and are paying exceptionally high costs for the equipment that they are finding.

The main reason why revenue falls so much during recessions is that California relies very heavily on income taxes to fund state government and, of course, income is cyclically volatile, rising during expansions and declining during recessions. But California is heavily dependent on the state's highest incomes, with over half the state's tax revenue coming from the top one percent of earners, compared to about 35 percent in the rest of the country.

California's "tax the rich" policy enormously exacerbates the cyclical volatility of income tax revenue because of the exceptionally high cyclical volatility of the realization of income streams for the highest earners. This includes the realization of capital gains and other forms of capital income, which are taxed as ordinary income in California, and which are taxed at high rates, up to 13.3 percent, which is the highest income tax rate in the country.

Capital gains are realized during periods of high economic growth when asset prices are high, but far fewer gains are realized during economic declines. If anything, asset sales during recessions reflect losses to offset other incomes.

To get a sense of the magnitude of this issue, Households earning over \$200,000 accounted for 93 percent of the \$20 billion revenue decline in California's last recession. This means not only that California is enormously dependent on the "one percenters" but that, given the current tax system, California must accept the current revenue roller coaster that comes along with this dependence.

There is a simple fix to this. Reduce reliance on the income tax and eliminate the top rate of 13.3 percent. When voters approved the 13.3 percent rate in 2012, it was explicitly a temporary measure to ensure that K-12 school funding would be maintained.

The 13.3 percent rate was set to sunset in 2017, when the state would be on better fiscal footing. But lawmakers could not keep their hands out of the cookie jar, and the 13.3 percent tax rate was made permanent in 2017. It is hard to think of a more duplicitous money grab in recent years than this.

Eliminating the 13.3 percent top rate would not only restore some semblance of credibility for state legislators who pushed to make the 13.3 percent rate permanent, it would also help keep more high earners within California.

The heavy reliance on the state income tax could be offset by introducing a small tax on services, which have become a much larger share of the economy. The tax burden on low earners could be offset with an expansion of the earned income tax credit.

At this point, I am tempted to say that policy makers could also do a much better job spending the revenue sensibly, but this is unlikely. The real problem with taxing services is that it is an efficient tax that would create a stable source of revenue. Why is this a problem? Sadly this would open an entire new sea of revenue that many state legislators would want to tax at a much higher rate than I would hope for. Yes, this is California, where introducing a more efficient tax system is precluded by the unsated appetite of policy makers. In the meantime, we can hope for that California gets back to work safely, sooner rather than later, including the idea that healthy, younger workers, who are much less susceptible to the coronavirus, return to work fairly soon.

Otherwise, the impact of even a moderately longer period of sequestration of most Californians could damage the state beyond anything we have seen since the Great Depression.

Lee E. Ohanian is a senior fellow at the Hoover Institution and a professor of economics and director of the Ettinger Family Program in Macroeconomic Research at the University of California, Los Angeles (UCLA). This article first appeared in the April 21, 2020 edition of Hoover Daily Report.

‘IT’S A FREE COUNTRY, BROTHER’ BY VICTOR DAVIS HANSON

Thank God for the Bill of Rights.

In this current crisis, the longest if not the first complete shutdown in U.S. history, the freedoms of American democracy are being tested in ways we scarcely ever imagined. Out of nowhere little Napoleonic governors arise to enact decrees prohibiting gardening or strolling on an empty beach — decrees that seem to have little purpose other than to reflect that they can do so. Snitches volunteer to out felonious social deviants who are seen cooking in the backyard with a neighbor. A little horned-devil virus seems to be trying to do what those Russkies never could.

Experts with all sorts of Ph.D.s, M.D.s, and J.D.s after their names lecture from authority about what we must right now do — or else! — on the principle that they have a scientific or technocratic prerogative to impress critics of their modeling or their demand that we shut down a \$22-trillion economy for “18 months,” if need be.

A supposedly disinterested media — found by media watchdogs to be 93 percent negative in its presidential reportage before the virus crisis — envision their coverage of the Trump demon as an endless zero-sum game in which any morsel of good news for him is instantly bad for them.

In short, if American democracy were to fail to sustain itself under myriad pressures, then this would be the moment. For some, the Sixties can at last be made manifest — especially given that its aging

children just impeached an American president on articles nowhere found in the Constitution, after weaponizing the FBI, CIA, and DOJ in an attempt to abort a presidential campaign and then presidency.

How fortunate, then, that in this current crisis, when one questions the logic of using a misleading denominator to ascertain viral lethality, and thus the logic of basing existential public policies on resulting case-to-fatality rates that admittedly cannot be true, one can (at least for now) keep raising skepticism without being sent to a Chinese-like reeducation camp.

We are witnessing the fading moments of Baby Boomer-generation authority. As it vaporizes, it still cannot fundamentally change America with sermons that we “will never go back to normal,” a synonym for “we don’t like lots of things in that bothersome Constitution.” America is currently engaged in a free-fall of angry, unfettered discussion about everything from the wearing of masks to the efficacy of hydroxychloroquine. Tempers rise; false knowledge replicates. Smack-down arguments from authority grow shrill. And, thank God, it all remains legal. Out of the mess, the acrimony can lead to light rather than endless heat.

Warn an American that he poses a public threat by illegally and solitarily launching his tiny boat on a nearby empty pond to fish, and he’s likely to do just that — and thereby reveal the absurdity of the functionary who issued such a tyrannical order.

Tell a pastor he can’t preach from his car to other car-bound parishioner and, by God, he will do just that — and will be praised by most for his measured civil disobedience.

Let criminals out of jail, and what’s a paranoid American city-dweller to do? Obviously head down to the gun store and get in a line for something that shoots something, now for the first time in his life bitching in extremis that gun laws he once found wonderful are far stricter than they should be.

Today in the midst of a national lockdown, one can read that the nation’s commander in chief, Donald Trump, is a narcissistic buffoon whose recklessness will doom us all. Or, with more effort, scouring the Internet for non-left-wing perspectives, one can read that he’s playing three-dimensional chess and that the media, Joe Biden, the Chinese, and the virus are no match for his cunning. Agree either way, and you may be pilloried online and smeared with a volume of cowardly emails and letters to your employer, but you won’t end up like a Chinese whistleblower.

Traipse down Main Street, with 20 in tow, and you may well be arrested for violating viral lockdowns, but you won’t be marooned in jail without bail — at least yet.

If an unhinged governor in Washington or Michigan or a Virginia functionary decides that you’re a big mouth and an insurrectionist, he cannot invent a new law that says it is a felony to speak ill, or reduce the majesty, of lawmakers.

Donald Trump was trashed for musing that as chief executive he could order states to open up if he wished, and then hours later trashed even more when he suggested that the decision was really up to the governors. If he was not trolling the media, it may be that his advisers not only quoted the

Constitution to him but that he saw fit to leave the politically lose/lose decision to lesser, would-be-king officials.

No matter, the courts will decide whether it is legal for a president to overrule a governor's order, at least as it affects federal property and interstate commerce. Can Trump open Yosemite National Park amid Governor Gavin Newsom's lockdown, but not California's Big Sur State Park? Who, after all, "owns" Wall Street? Is it a physical or a cyber space? Does the mayor of New York City or the governor of New York State control the building and what goes on inside, or does Bud Jones in Bakersfield, whose retirement years hinge on a 401(k), have a say?

No one quite knows the limits of Washington, D.C., or the parameters of federalism. The schizophrenic Left now tends to favor the neo-Confederate idea of federal nullification when it's a matter of sanctuary cities or abortion laws or opposing anything Trump is for. But at least there is tension there, and that uncertainty itself can limit the power of both a president and a governor. And that's not always a bad thing when the mentality of the mob takes over.

Authoritarians and petty fascists, eager to issue endless edicts, molt their exoskeletons, as if under their chrysalis suits they were always caudillos, waiting to be reborn with sunglasses and epaulettes. But a free and empowered people, even in times of mortal danger, long nursed on a Bill of Rights, is hard to subjugate or shut up, even after over a month spent locked up in their homes. Thank God, we have a Constitution quite different from those of European nations, which are themselves far superior to other alternatives.

Does the First Amendment in some sense explain why, when you walk into the supermarket, you see crazy shoppers wearing over their face everything from weird motorcycle-helmet visors and dinner napkins to bandanas, embroidered doilies, silk scarves, used N-95 masks, hospital wraps worn lengthways, and (in the case of one well-meaning nut) a mask worn under the nose? In China, crowds all appear as if they are equipped by "CCP Approved Mask Model #1" of identical shape and color.

In a reductionist sense, this crisis could have been avoided if the Chinese had a Jeffersonian and Madisonian Bill of Rights, and a population protected by it. Nations of the European Union would have done better to one another in this crisis if they'd had a little humility and settled for a confederation of like, but still disparate, democracies and the idiosyncrasies that accompany them — rather than constructing an impossible utopian nightmarish edifice like something out of the old silent movie *Metropolis*, run by a litany of finger-shaking wannabe shrill Elizabeth Warrens. How odd that in the EU's lose/lose paradox, when individual nations do well or poorly in addressing the epidemic, the EU will be blamed for their respective disobedient successes or failures.

In these strange times, American individualism and the Bill of Rights that birthed it are still proving, for a while longer, too strong for the natural forces of fascism masquerading as "we had to destroy freedom to save it." Or, as Nate (Jon Voight) shrugged in the film *Heat*: "It's a free country, brother."

NRO contributor [Victor Davis Hanson](#) is the Martin and Illie Anderson Senior Fellow at the Hoover Institution and the author, most recently, of [The Case for Trump](#). [@vdhanson](#)

ADDENDUM I

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April 20, 2020

The Honorable Gavin Newsom
Governor
State of California
State Capitol
Sacramento, CA 94814

Governor Newsom:

COVID-19's impact on our region, state and country cannot be understated. With more than 30,000 Californians testing positive and over 1,000 dead, we know that this virus was not and is not one to take lightly.

We also know that, were it not for the leadership at the state and county levels issuing Safer-at-Home orders and instituting social distancing measures, the outbreak would be far worse. San Luis Obispo County moved swiftly and issued a Shelter-at-Home order on March 18 – one day prior to the statewide order.

Our county Emergency Services Response has been exemplary, and our early response has paid tremendous early dividends. Our infection rate has been declining for more than 3 weeks, while our COVID-related hospitalizations have dropped dramatically. As of today, we have had 130 positive cases, with 111 fully recovered, only 3 in the hospital and 1 death – a resident over 80 with pre-existing health conditions.

At this point, given the COVID-19 numbers locally in San Luis Obispo County — and our healthcare capacity — this bipartisan group of local elected leaders asks that you allow our county to exercise local authority to implement a phased reopening of our local economy over the next three weeks.

Within a matter of days, the county will have fully developed and be ready to implement the *SLO County Roadmap for Reopening*, which is aligned with both state and federal guidelines. Our plan has been developed by local experts and takes into consideration the circumstances and facts in our region. We are ready to begin phased reopening based on science and expert guidance.

In addition to the extraordinary efforts our residents have taken to maintain social distancing and flatten the curve, our county (in partnership with our local hospitals and a number of private-sector businesses) has proactively prepared for a worst-case scenario. On the Cal Poly campus, San Luis Obispo County has built a 165-bed Alternative Care Site with the capacity to rapidly scale to 931 beds, if necessary. The county also has a large PPE stockpile and has the testing capacity to support its reopening plan in accordance with state and federal guidelines.

In short, we have been successful in our efforts to manage the virus's spread, and we have put in the work and made investments to prepare for any type of surge or second wave.

We've asked a great deal of county residents in the past month, and they have risen to the challenge. We've asked businesses to risk permanent closure, and to layoff beloved employees. Workers have been laid off without much in the bank to get by. We've asked families to avoid seeing friends and loved ones. We've asked kids not to go to school or play sports.

We have asked our residents to take these desperate measures because of the unique risks posed to the broader community by this virus so that we can flatten the curve and allow our healthcare capacity to catch up.

Now we need to move to the next phase, which is economic recovery. According to the L.A. Times, more than 2.5 million Californians have filed for unemployment over the past month, and an economist has predicted a statewide unemployment rate near 20% within the next month. A prolonged recession is likely and becomes likelier each day we keep workers from making a living.

And the public health stakes are high. We know that prolonged recessions cause dire public health issues of their own. According to a report by Harvard Public Health, recessions (and unemployment, in general) cause higher levels of chronic stress, which itself can give individuals a higher risk of heart disease, acute sleep deprivation, depression, decreased response to vaccines and an increase in smoking and drinking alcohol. One social science study links high unemployment levels to higher mortality rates, while another concludes that "economic uncertainty ... had direct effects on the risk of [child] abuse or neglect[.]" Yet another social science study linked high unemployment rates during the Great Recession to an increase in domestic violence, and we are seeing evidence of this in our communities already.

We must take steps now to cut down on the risk of prolonged recession and the resulting catastrophic public health issues that will inevitably follow from an economic downturn of that magnitude.

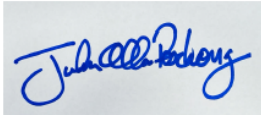
San Luis Obispo County made an early and deliberate response to the COVID-19 pandemic and has been successful in controlling the spread of the virus. We believe that the most recent public health data, in addition to our county's ability to continue monitoring cases and keeping the ACS at Cal Poly open, should allow the county to soon begin a science-based, thoughtfully-phased reopening of our economy that would allow our residents to get back to work.

We would appreciate your consideration of our request to reopen our county's economy under a local order developed in concurrence with the county's public health official, which will continue to protect the health and safety of our residents. Thank you for your consideration of our request.

Sincerely,



Jordan Cunningham
Assemblymember, 35th District



John Peschong
Supervisor, First District



Debbie Arnold
Supervisor, Fifth District



Caren Ray Russom
Mayor, City of Arroyo Grande



Heather Moreno
Mayor, City of Atascadero



Jeff Lee
Mayor, City of Grover Beach



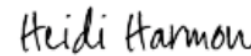
Steve Martin
Mayor, City of Paso Robles



Ed Waage
Mayor, City of Pismo Beach



John Heading
Mayor, City of Morro Bay



Heidi Harmon
Mayor, City of San Luis Obispo



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AUTHOR & NATIONALLY SYNDICATED COMMENTATOR BEN SHAPIRO APPEARED AT A COLAB ANNUAL DINNER



NATIONAL RADIO AND TV COMMENTATOR HIGH HEWITT AT COLAB DINNER

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(Revised 2/2017)