COLAB San Luis Obispo County

The Coalition of Labor Agriculture and Business

WEEKLY UPDATE MAY 3 - 9, 2020

THIS WEEK

COUNTY WILL NOT START REOPENING PLAN UNTIL GOVERNOR RESCINDS STATE LOCKDOWN IT'S TIME FOR THE BOARD TO ACT ON ITS OWN IF HE DOESN'T ANSWER THE COUNTY REQUEST TIMELY

THE ABSOLUTE NECESSITY TO CHALLENGE GOVERNOR NEWSOM

BY ANDY CALDWELL

THE START PLAN –"STEPS TO ADAPT AND REOPEN TOGETHER" 3 MONTHS IS TOO LONG

A NEVER ENDING PROJECT - \$1 MILLION TO STUDY COUNTY BUILDINGS CONDITION

HEMP REGULATION ORDINANCES AT BOS

SYMBOLIC GROWTH CONTROL ORDINANCE ON AGAIN BUT THERE IS HARDLY ANY GROWTH TO REGULATE

SLOCOG CANCELED

LAST WEEK

THE LETTER TO GOVERNOR NEWSOM (SEE PAGE 17)

MONITORING FOR THE RETURN OF COVID

BUDGET IMPACTS OF COVID SO FAR

ECONOMIC DESTRUCTION

CONSTITUTIONAL IMPLICATIONS OF THE LOCKDOWN

SLO TRIBUNE PROMOTES SNITCHING

HISTORICAL DYNAMICS OF PANDEMICS

SLO COLAB IN DEPTH

SEE PAGE 26

OUR VIRUS IS A VIOLENT TEACHER

BY VICTOR DAVIS HANSON

WHO WILL PAY FOR THE CORONAVIRUS BAILOUT? IF YOU'RE UNDER 50 AND WORKING, YOU WILL

BY SHAWN TULLY

CALIFORNIA'S COMING TAX TSUNAMI by Lee ohanian

ALERT

THE ABSOLUTE NECESSITY TO CHALLENGE GOVERNOR NEWSOM



BY ANDY CALDWELL

The California economy is on the verge of ruin, and our society is on the verge of collapse, because of the abusive power grab of Governor Gavin Newsom that has been aided and abetted by local officials who are refusing to challenge the governor in a meaningful and timely manner.

How bad is our situation? Consider the following dire implications of this protracted shutdown on the most vital sectors of our economy which has resulted in the loss of one million U.S. jobs per day:

Small business: One in four businesses are about to close permanently, meaning the jobs and revenue they represent are not coming back for a very long time.

Supply chains: Our food supply, including meat, vegetables, eggs, and the like are going to be in short supply because half of our food is eaten outside the home and most of those outlets have been closed. This has forced producers to destroy supply, which threatens them financially. Furthermore, due to financial hardships, people are switching to cheap basics, such as beans, flour, rice, etc.

All told, the breakage of the supply chain portends food shortages while also threatening to bankrupt farmers, ranchers, and processors.

Medical sector: The cancellation of so-called "elective" diagnostics and surgeries, in and of itself, presents a larger health risk than did cv19! Sixty-thousand family practices will close or significantly scale back, and 800,000 of their employees will be laid off, and that does not include more than 200 hospitals across the land that are also lying off thousands of staff members and incurring significant losses.

Public safety: The release of dangerous prisoners, including serial child molesters and sexual predators.

Government finances: The federal government is burning through one million dollars a minute with no end in sight. The shutdown is creating a financial death spiral as it relates to the government borrowing money while simultaneously destroying the private sector economy which is the source of its funds.

Moreover, neither the federal nor state governments have the money to cover neither unemployment claims nor the future demands on social services, including the costs of food and rent for millions of people that are suffering impending financial disaster.

Energy: The glut of fuel supplies due to less economic activity, coupled with the price wars between Saudi Arabia and Iran, have caused energy prices to plummet. What that means is that our energy providers are going to be forced to shut down production and lay off workers creating another future gap in our ability to restart our economy.

The law: This is perhaps the most dangerous and dire threat to our society and our economy. The governor's only legitimate power to impose a shutdown depends on a bonfire emergency that creates a compelling government purpose to limit our freedom and liberty, including our ability to make a living. Even then, the governor's use of this power must be narrowly construed.

The original and legitimate goal of flattening the curve and creating surge capacity has been met. There is no longer a grave threat to public health and safety that warrants the continued shutdown in light of the fact that our care providers have surge capacity. The governor, therefore, no longer has the legitimate authority to continue to impose a form of martial law on the residents of our state.

Furthermore, no second wave of the coronavirus is coming, based on the experience of other countries, and the damage this shutdown is creating exceeds the damage from the virus, which was never as dangerous as they said it was, in two meaningful ways.

First, we did not lose over two million American lives from the virus as predicted because the virus was never that deadly to begin with. These projections were based on computer models, not the real data from throughout the world. These models were off by orders of magnitude.

Second, the actual number of deaths has been grossly distorted, manipulated and exploited. That is, if somebody had coronavirus, they were deemed to have died from coronavirus, including those people who were in hospice before the outbreak began!

The actual number of deaths in America, including in New York, have been exaggerated as a result of a directive to assign death by "presumption," by the thousands.

Finally, a significant number of deaths occurred in nursing homes due the fact that several governors, including New York's Cuomo and California's Newsom, forced nursing homes to admit coronavirus positive patients with the result of the disease spreading like wildfire in these institutions housing the most vulnerable among us.

These are just a few of the reasons I believe it is time to revolt against Governor Gavin Newsom's dangerous and illegitimate power grab.

What should local government do?

They should officially declare the emergency is over within the boundaries of their jurisdiction and refuse to enforce any of the restrictions or penalties associated with the governor's rogue use of his authority.

If they don't unilaterally do so and do it soon, they are going to bear co-responsibility for one of the greatest disasters in our country's history.

This is not an easy decision to make, but it is the only choice we have

Andy Caldwell is the Executive Director of COLAB of Santa Barbara County, Public Affairs Radio Host, and the Republican candidate for Congress in the 24th Congressional District.

SLO COUNTY STATUS and THE CHALLENGE

The County has issued its draft plan to begin to roll back the lockdown. It is discussed in detail below under This Weeks' Highlights. The Plan is a product of the County Health officer and a handpicked team of experts. It has been informed piecemeal by a group of stakeholders in what amounts to a giant obscured Delphi exercise.¹ Unfortunately the Plan states that it will not go into effect until the Governor rescinds the State lockdown order and gives counties specific authority to execute local plans.

As noted above, the Plan threshold is outrageous because it contains the contingent requirement that release of the statewide lockdown by the Governor must occur prior to the County Plan being operationalized. Such a global precondition is not within the public authority of the Health Officer and CAO. It is the Board of Supervisors who must decide whether or not to submit to the State imposed lockdown.

While the Health officer may promulgate measures to control the disease, she cannot prescribe a policy that compels the Board to passively submit to unbounded State edicts, some of which are

¹ The Delphi method or Delphi technique is a structured communication technique or method, originally developed as a systematic, interactive forecasting method which relies on a panel of experts. The technique can also be adapted for use in face-to-face meetings, and is then called mini-Delphi or Estimate-Talk-Estimate . It is often used to obtain the results which officials intend while pretending to include counter opinion in the resulting policies.

unconstitutional. While the Board has written to the Governor explaining what it will do if the lockdown is rescinded, it has not actually made the formal request to exempt San Luis Obispo County(See the full text of the letter starting on page 17 below).

Accordingly, and given the Constitutional issues involved and the potentially very long continuation of the lockdown or its phase out, the Board must consider challenging the continued control by the Governor. It should also question the long 90-day phasing of staff's Plan. The Board could take action in regular session to defy the Governor and operationalize its plan. In such a circumstance, the State Attorney General would likely seek to enjoin the Board from carrying out its action. His problem is that a number of counties are considering similar action. Moreover, citizens are ready to rebel and take matters into their own hands.

At this point millions are unemployed, business are shut down, the ability of government to fund basic services is in jeopardy, and lives are being destroyed. It is time for the Board to step up and exercise local control.

Again, and as we have recommended, the County needs set up a crosscutting geographic and a functional sector system of sentinel testing to make sure the COVID-19 does not come back. At this point it appears that the County plan is provide random testing, which will not suffice. The doctrine of air defense applies here: Detection, Identification, Interception, and Destruction.

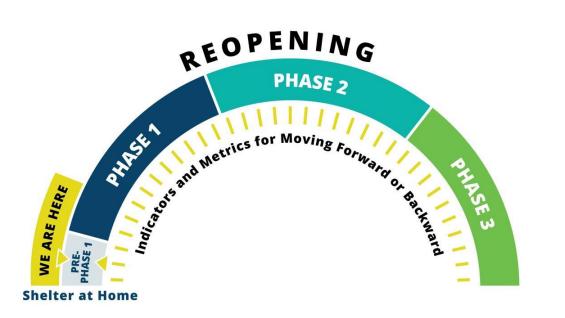
THIS WEEK'S HIGHLIGHTS

THE START PLAN - "STEPS TO ADAPT AND REOPEN TOGETHER"

The County Health Department has issued a draft document entitled the "Start Guide." It provides the general conditions and cadence under which various categories of business, not-for-profits, religious institutions, and educational institutions may open. It also prescribes the operating requirements to which they must adhere when they do open. Under the best of circumstances it could allow just about all entities to open within 90 days of its start. It would not start until the Governor ends his lockdown orders, modifies them, or delegates the authority to manage the lockdowns to the counties.

The plan was prepared with input from a wide variety of business, educational, non-for-profit, advocacy, and religious groups. The full draft plan can be accessed at the link: https://www.emergencyslo.org/en/resources/Current-Emergency-Information/Documents/START-Guide-v1.0.pdf

Conceptually it is visually displayed in the graphic below:



1. The plan would not begin until the Governor releases the counties or at least San Louis Obispo County to go forward. As noted below in this Update, the County has sent the Governor a letter indicating that it is ready to go forward. A problem is that the letter does not quite make a specific request for the Governor to remove the county from the lockdown.

2. The plan phases are roughly 30 days long each for a total of 90 days.

modified, and crit Move to Phases 1 met for a least 30	lous Phase when one or	Eldays Ellines are Public Health Criteria related to Public Health Criteria related to	to number of cases and deaths capacity to screen patients, staff and stock hospitals, an to quick testing, contact tracing, and other critical infras		
	All Phases	Phase One Day 1 (if threshold criteria met)	Phase Two Day 30 (if threshold criteria met)	Phase Three Day 60 (if threshold criteria met)	
Individuals	Continue to practice good personal hygiene Stay home when sick Protect vulnerable populations	Vulnerable populations continue to stay at home Physical distancing Masks recommended in public when physical distancing is difficult Monitor symptoms Gatherings of no more than 10 people Minimize non-essential travel	Vulnerable populations continue to stay at home Physical distancing Masks recommended in public when physical distancing is difficult Gatherings of no more than 50 people Minimize non-essential travel	Vulnerable populations can resume public interactions, but should practice physical distancing and minimizing exposure Physical distancing eased Gatherings with restrictions on numbers of people TBD Low-risk populations should consider minimizing time spent in crowded environments	
All institutions & businesses*	Adhere to START Standards and Guidelines for: Physical distancing, protective equipment, sanitation,	Partial/phased/modified reopening under <u>strict operating</u> <u>standards</u> for distancing, sanitation, hygiene Continue to support telework Ensure enough hand sanitizer and/or hand washing stations at strategic locations Close common or congregation areas at workplaces and/or enforce strict operating standards Strongly consider special accommodations for personnel who are vulnerable Minimize non-essential travel	Remain open under modified operating standards for distancing, sanitation, hygiene Continue to support telework Ensure enough hand sanitizer and/or hand washing stations at strategic locations Close common or congregation areas at workplaces and/or enforce modified operating standards Strongly consider special accommodations for personnel who are vulnerable Minimize non-essential travel	Resume unrestricted staffing and operations Most institutions and businesses fully reopen	
Specific types of institutions & businesses*	disinfection, and business travel Do not allow symptomatic people to return to work	General businesses (e.g. retail, manufacturing, personal care) phased/partial reopening Specific sectors: (e.g. food facilities, movie theaters, museums, places of worship) phased/partial reopening K-12 schools partial reopening Parks, playgrounds, and camggrounds modified reopening Ritness (e.g. gyms, pools) modified reopening Beaches, outdoor activities remain open with modifications Health-care – non-urgent surgeries and office visits can resume, when healthcare facilities and hospitals ready	K-12 schools, child care centers and summer camps modified reopening Massage, spa services modified reopening Post-secondary institutions TBD	Post-secondary institutions modified reopening Large entertainment and sporting venues modified reopening Visits to senior facilities and hospitals can resume with strict physical distancing protocols	

3. The process is test and see. If indicators of the disease remain low during Phase 1, the County would move to Phase 2 and so forth. If the disease starts to expand the plan would not move forward and/or could reinstall portions of the lockdown.

4. Entities which could open in Phase I include:

Specific types of institutions and businesses

- Phased or partial reopening: General businesses, such as retail stores, offices, manufacturing, and personal care services
 - May reopen only when physical distancing measures may be strictly enforced, masks or face coverings are worn when distancing not possible, limiting the number of clients in the establishment such as by instating an appointments-only policy or other modifications
- b. Phased or partial reopening: Sector specific businesses and institutions, such as food facilities, movie theaters, museums, and places of worship) can operate under strict operating standards
 - i. May reopen only when operating standards for physical distancing, personal hygiene, and sanitation of facilities and equipment can be enforced. Includes rearranging seating, limiting the number of people in the establishment, masks or face coverings for staff who come into close contact with others, and other procedures
 - c. Partial reopening: K-12 schools for summer school and extended school year for special education, with strict operating standards for personal hygiene, sanitation of facilities and equipment, and other preventive measures
 - d. Modified reopening: Fitness, such as gyms, exercise facilities or studios, and pools and hot tubs, with strict operating standards for personal hygiene, sanitation of facilities and equipment, and physical distancing
 - e. **Modified reopening: Parks and playgrounds**, with operating standards for personal hygiene, and sanitation of facilities and equipment
 - f. Remain open: Beaches, hiking and biking trails, and other outdoor activities with operating standards for personal hygiene, and sanitation of facilities and equipment
 - g. Modified reopening: Campgrounds, with strict operating standards for personal hygiene, sanitation of facilities and equipment, physical distancing, and other preventive measures
 - h. **Resume: Health Care** including non-urgent surgeries when health care facilities and hospitals ready with sufficient staffing and PPE
 - i. Still closed: Body massage, steam or sauna facilities, large entertainment and sporting venues, post-secondary institutions, and visits to senior facilities and hospitals
- 4. Entities which can reopen in Phase 2 include:

Specific types of institutions and businesses

- Remain open: General businesses, such as retail stores, offices, manufacturing, and personal care
 - i. Modified operating standards for personal hygiene, and sanitation of facilities and equipment. Limiting number of people inside establishment may be eased under certain circumstances.
- b. **Remain open: Sector specific businesses and institutions,** such as food facilities, movie theaters, museums and places of worship
 - i. Modified operating standards for personal hygiene, and sanitation of facilities and equipment. Limiting number of people inside establishment may be eased under certain circumstances.

- c. Modified reopening: K-12 schools, child care centers, and summer camps with operating standards for personal hygiene, sanitation of facilities and equipment, and other preventive measures
- d. **Remain open: Fitness**, such as gyms, exercise facilities or studios, and pools and hot tubs, with modified operating standards for personal hygiene and sanitation of facilities and equipment.
- e. **Modified reopening: Body massage and steam or sauna facilities** with operating standards for personal hygiene, sanitation of facilities and equipment, and other preventive measures
- f. Remain open: Parks, playgrounds, beaches, hiking and biking trails, campgrounds, and other outdoor activities, with modified operating standards for personal hygiene, sanitation of facilities and equipment
- g. TBD: Post-secondary institutions
- h. Still Closed: Large entertainment and sporting venues, and visits to senior facilities and hospitals
- 6. Those which can open in Phase 3 include:

4) Specific types of institutions and businesses

- a. Fully reopen: General businesses
- b. Fully reopen: Sector specific businesses and institutions
- c. Fully reopen: K-12 schools, child care centers and summer camps
- d. **Fully reopen: Fitness**, such as gyms and exercise facilities or studios, and pools and hot tubs
- e. Fully reopen: Parks, playgrounds, beaches, hiking and biking trails, and campgrounds and other outdoor activities
- f. Modified reopening: Post-secondary institutions, with operating standards for personal hygiene, sanitation of facilities and equipment, and other preventive measures
- g. Modified reopening: Large entertainment and sporting venues, with operating standards for personal hygiene, sanitation of facilities and equipment, and other preventive measures
- Resume with strict physical distancing protocols: Visits to senior facilities and hospitals (to be eased after an additional 14 days if loosening criteria continue to be met)

6. There are detailed operational requirements for those entities which do open regarding sanitation, separation, testing and so forth. For example in Phase 1, requirements include:

1) Continue for individuals, institutions, and businesses

- a. Physical distancing measures at all venues and all times
- b. Personal preventive hygiene and quarantine/isolation measures
- c. Use of face coverings and masks in public especially when physical distancing is difficult or not possible
- d. Monitoring of symptoms
- e. Protection for vulnerable populations such as the elderly

2) Individuals

- a. Gatherings should be limited to 10 people, physical distancing maintained as much as possible
- b. Minimize non-essential travel

3) All institutions and businesses

i.

a. The START Standards and Guidelines best practices should be followed by all institutions and businesses in all Phases of reopening

Required certification and acknowledgement of operating standards

- b. Must adhere to strict operating standards for personal hygiene, sanitation of facilities and equipment, and physical distancing
- c. Continue to support telework
- d. Ensure enough hand sanitizer or hand washing stations at strategic locations
- e. Close common or congregation areas at workplaces, and/or enforce strict physical distancing measures
- f. Strongly consider special accommodations for personnel who are vulnerable
- g. Minimize non-essential travel

Given the very detailed operating and intrusive operation requirements, many of which are already currently in force, the de facto effect is not to allow reopening. Meanwhile, the public is taking matters into their own hands.

a. Many businesses are simply opening.

b. The public is exercising its constitutional rights of assembly and no authority is daring to challenge it.

c.There was a protest rally in Paso Robles last Friday demanding reopening. Reportedly 500-700 people attended.

Board of Supervisors Meeting of Tuesday, May 5, 2020 (Scheduled)

Item 1 - COVID-19 Update. This will be a verbal report. There is no written material in the file.

Item 12 - \$1.023 million Consulting Contract for Analysis of County owned Buildings physical condition. This is the latest iteration of what seems to be an endless project to ascertain the physical condition of the various County-owned buildings. The purpose is to better manage the capital investment and maintenance budgets for their upkeep. The write-up states in part:

The FCA program began in 2014 with a five-year contract for initial assessments of County-owned buildings. The objective of the FCA program is to identify and prioritize deferred maintenance and effectively plan for necessary maintenance and capital projects through ongoing condition assessments. The initial contract concluded in December 2019, resulting in facility condition data for 127 locations, with some sites containing multiple buildings.

Questions include:

a. How much has been spent on the project since 2014?

b. What actual products to date (reports, analysis, and sq. ft. per building or what?) were obtained for those expenditures?

c. Was this major phase of the action recommended here always contained in the overall original project design?

d. Are there more steps and expenses after this one?

- e. Has the project scope and cost changed since it started?
- f. When will it be completed?

The FY 2019-20 Budget on page 510 suggests that the County is already managing the building conditions and maintained needs:

There are two primary processes used to identify projects. The first is the Facilities Condition Assessment (FCA) process, where all County-owned buildings are evaluated on a five-year rolling basis to identify and prioritize any structural or maintenance issues. The goal of the FCA process is to provide accurate and objective information on the condition of facilities and their components. Each component is assessed and rated according to the expected useful life remaining, how critical the issue is, its estimated cost, and when it should be repaired or replaced in order to avoid further deterioration of equipment and structural failure. The purpose of the FCA process is not to expand facilities or provide new improvements or renovations, but to maintain their condition and protect the County's assets. Depending on the size and nature of a repair, a necessary project may be funded in either this fund center or Fund Center 230 – Capital Projects.

There is no mention of the need to spend over a million dollars to develop a system to handle this.

The key metrics are:

a. What is the aggregate dollar value of deferred maintenance for the buildings?

b. How will it grow over the next 20 years at current funding levels – in other words is the county falling behind or getting ahead of it?

c. What increases in funding over both the next 5 years and over 20 years are necessary to prevent a large unfunded maintenance deficit (deferred maintenance backlog)?

Item 18 - Submittal of a resolution approving the County maximum annual growth rate and maximum annual allocation for new dwelling units for FY 2020-21, in accordance with the Growth Management Ordinance. The County has a long-standing growth limit on the number of new dwelling units that can be constructed in any given year. It has approached it only once in nearly 30 years. Housing production in the last decade has been limited to a few hundred units in the unincorporated area per year. Desperately needed apartment units for families have been almost nil.

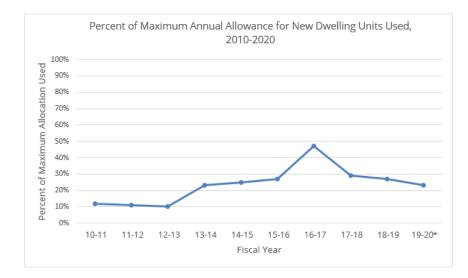
Maximum Growth Rate for New Dwelling Units for FY 2020-21

Based on the current assessment of community resources, the recommended growth rate for new dwelling units for FY 2020-21 is the same as the previous year:

□ 2.3% Countywide (excluding the Nipomo Mesa area, Cambria, and the Los Osos Prohibition Zone);

 \Box 1.8% for the Nipomo Mesa area; and

 \Box 0% for Cambria and the Los Osos Prohibition Zone.



We wish this type of relative data chart would be submitted with tables showing the number and types of units that have been produced by year. This chart expresses the fact that they have never come near to the cap.

Type of Dwelling Unit	Maximum number of new dwelling units allowed for FY 2020-21			
Countywide*, Single Family	564			
Countywide*, Multi-Family	309			
Nipomo Mesa, Single Family	86			
Nipomo Mesa, Multi-Family	46			
Cambria, Grandfathered in New Units	8			
Total	1,013			

Table 1: Maximum allocation of new dwelling units, FY 2020-21

*Excluding the Nipomo Mesa, Cambria, and the Los Osos Prohibition Zone

They can only wish that they could have permit applications for this many.

Item 22 - Hearing to consider adoption of a resolution amending the Land Use Ordinance, Title 22 of the County Code, the Coastal Zone Land Use Ordinance, Title 23 of the County Code, Title 1 of the County Code, and the Coastal Framework for Planning Table "O" (LRP2019-00008) to allow for the cultivation of industrial hemp.

Summary: This item contains the Planning Commission's recommendations for the regulation of industrial hemp. The Commission could not resolve some questions and left them open for the Board to fill in the gaps. To this end the staff has provided alternative selections for the Board to consider. The work on the regulations has been going on for over a year. There has been a major effort to develop consensus by various impacted groups, which has succeeded in part, but which has left areas of disagreement.

The decisions are difficult, as hemp was legalized as an agricultural crop 2 years ago by the Federal Government and the State Legislature. The plants look and smell like cannabis. The main difference between hemp and cannabis is that the level of THC (the active psychotropic substance in cannabis) is very low in hemp.

The main issues in dispute at this point are:

How close should a hemp field be to a field of grapes?

How close should a hemp field be to residences?

How does law enforcement and County Code Enforcement distinguish hemp in a field from cannabis?

How close should a hemp field be to a cannabis field?

How intrusive should the County be in favoring one interest's position over another?

Since hemp is a legal agricultural crop (unlike cannabis), how far should the County go in its regulation? There are dangerous precedents. For example, what if someone does not like the odor of garlic, cauliflower, lavender, broccoli, onions, or chili peppers?

	 Minor Use Permit would be required between 300 and 1,000 feet of URL and VRL for outdoor cultivation Growers would register with the Ag Commissioner's Office per State requirements
Limits to land use categories	 Industrial Hemp Cultivation will be limited to the Agriculture, Rural Lands, and Residential Rural land use categories Residential Rural outdoor cultivation will be limited to non-flowering transplants only
Establish Setbacks	 Outdoor industrial hemp cultivation shall not be located within 300 feet of any active crop production or cannabis grow of separate ownership (excluding pasture or rangeland), any tasting rooms, Residential Single Family ("RSF"), Residential Multi-Family ("RMF"), Residential Suburban ("RS") land uses categories, Urban Reserve Lines ("URL"), Village Reserve Lines ("VRL"), schools, religious facilities, or existing offsite residences of separate ownership Indoor industrial hemp cultivation is limited to fully enclosed buildings or greenhouses and setback 100 feet from any existing offsite residence of separate ownership, and require ventilation controls to eliminate nuisance odors
Minimum Parcel Size	 10-acre minimum for outdoor cultivation 5-acre minimum for indoor cultivation Ability to allow reduction in minimum parcel sizes with discretionary permitting

The Proposed Ordinances:

The most contentious issue still in play is how much distance should there be from a hemp field to a vineyard. Proposals range from 300ft. to 1,000ft. to 1 mile. Vintners have suggested that it be prohibited in any AVA and require a 1000 ft. setback from the AVA boundaries.

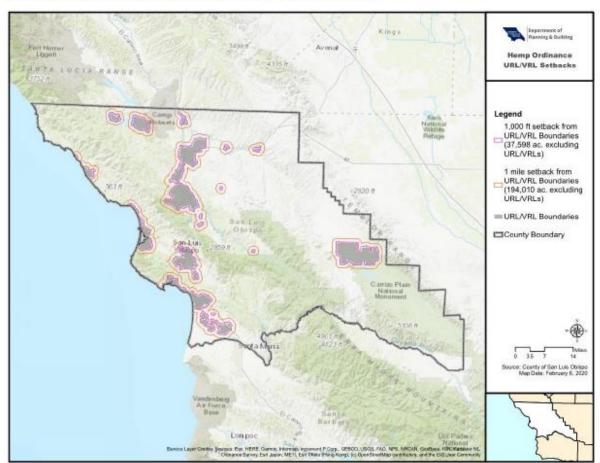
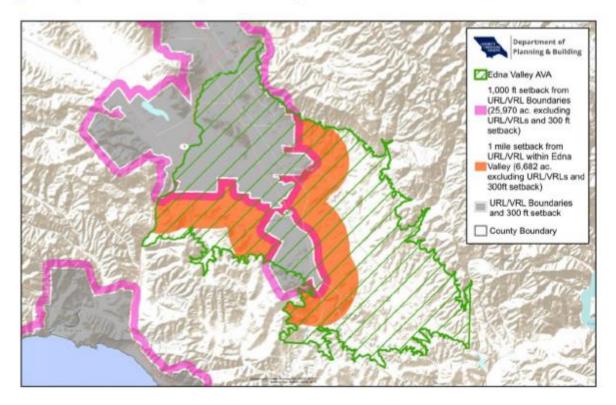


Figure 1: 1,000-foot and 1-mile setbacks from URLs, VRLs in San Luis Obispo County

The graphic below illustrates the relative scope of setbacks which would occur under 3003ft., 1000 ft., and 1 mile respectively in the Edna Valley AVA, as an example. At one mile huge areas would be precluded from hemp cultivation.

Figure 2: 1,000-foot and 1-mile discretionary area and Edna Valley AVA



No SLOCOG Board Meeting on Wednesday, May 6, 2020. (Not Scheduled)

Apparently there are no pressing issues requiring a meeting at this time.





We understand this is a challenging time for us all. Rest assured, your natural gas service will still be there for your community. For more information on how we're helping our customers, please visit **socalgas.com/coronavirus**



LAST WEEK'S HIGHLIGHTS

Item 1 - Update of COVID-19 in San Luis Obispo County. There was no written material on the item in the electronic agenda package. The report was pretty much a list of the current statistics and a litany of all the actions which County has been taking.

Item 2 - Consideration of a letter to Governor Gavin Newsom regarding reopening of local businesses. The Board approved sending the letter 5/0. The Board has indicated that the letter, quoted below, requests the Governor to allow the County to set up its own cadence of allowing various types of activities to resume. The letter describes in the abstract various aspects of the County's plan, which was not public document at the time the Board approved the letter. It conforms with the Governor's criteria for phasing out the lockdown.

One problem is that the letter never actually requests that the Governor authorize the County or localities in general to manage their own phasing independently from whatever pace is in the Governor's plan.

The larger problem is that the County Plan was not finished or available as the Board approved sending it to the Governor as proof that the County could manage unwinding the lockdown itself. The Board approved a major policy piece without formally considering it in public. When asked about this problem, Board members stated that the actual plan was a project of the County CAO and County Holst Officer and that the Board did not have authority to approve, reject, or amend. We cannot find a statute in the Government Code or the Health and Safety Code that gives such exclusive powers to an appointed official during an emergency The Health officer has powers to quarantine during a biologic or viral epidemic, but the urgent phase of the epidemic is over. If the disease were to start to come back after things are loosened up, the Plan could allow the Health Officer to shut problem areas down.

Background: The proposed actual letter text was not included in the electronic agenda file as of the close of business Friday. It finally popped up over the weekend.

The Honorable Gavin Newsom Governor, State of California State Capitol Sacramento, CA 95814 RE: San Luis Obispo County plan for easing COVID-19 restrictions

Dear Governor Newsom:

While the COVID-19 pandemic has brought unprecedented challenges to all Californians, we have seen an extraordinary response from residents working with common purpose, in concert with their public servants and agencies. The result has allowed our state and its citizens to exert a measure of control that has saved thousands of lives and prepared us well to continue addressing upcoming threats.

The societal costs have been enormous, and we know there are many challenging days ahead -- but as you are aware, public discussion is turning toward easing restrictions, where warranted, in order to reopen our communities and our economy.

We endorse the State's "Roadmap to Modify the Stay-At-Home Order," released April 14, 2020, and appreciate your view that, in this diverse state, "localism is determinative." We believe that these points, taken together, indicate the necessity of a strong, continuing partnership between state government and its 58 counties, as we navigate a course out of this disaster.

We understand that a rational transition to local control depends on metrics associated with the six indicators in the State's Roadmap, and that we will see further development of those markers in coming days. As SLO County plans for both managing the continuing COVID-19 emergency under our local stay-at-home order (issued March 18, 2020) and for a gradual recovery under more local control, we have incorporated the six indicators into an approach based on public health science and data.

Attached hereto, we offer for your consideration, San Luis Obispo County's local guide for a carefully-phased easing of restrictions put in place by the State and local stay-at-home order. The SLO County guide was developed by a strong team of medical and public health professionals, public agency staff, legal experts and elected officials. Input was also solicited from leaders in business, education, transportation, NGOs and the faith community.

The reopening plan, here called the guide was not available until Friday May 1, 2020. Some Supervisors had not seen it. Of course the public had never seen it either. Astonishingly, the County is promising the Governor to follow his *"Roadmap to Modify the Stay-At-Home Order."* The letter states that the County's plan will be within the bounds of the Governor's criteria to reopen the economy by meeting the specific criteria listed 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

The SLO County guide outlines the steps for re-opening that can be safely taken in our community, balanced with resumption of individual and economic activities as the COVID-19 epidemic evolves. It provides measurable decision points to identify how phased transitions can occur and which public health criteria will inform decisions to loosen or tighten restrictions.

The SLO County guide is aligned with the State Roadmap and consistent with the federal government's "Guidelines: Opening Up American Again" and criteria put forth by Resolve to Save Lives (RSL), a global health initiative that describes the "adaptive response" to the COVID-19 pandemic. We find several points of consensus among these sources. Our guide builds on these commonalities, bridges their discrepancies, and provides a solid foundation for the recommended actions of our guide.

The SLO County guide addresses California's six indicators for modifying the stay-at-home order, including: - The ability to monitor and protect our communities through testing, contact tracing, isolating, and support for those who are positive or exposed; - The ability to prevent infection in people who are at risk for more severe COVID-19; - The ability of the hospital and health systems to handle surges; - The ability to develop therapeutics to meet the demand; - The ability for businesses, schools, and childcare facilities to support physical distancing; and - The ability to determine when to reinstitute certain measures, such as the stay-at-home orders, if necessary.

Three additional unique factors are addressed for SLO County:

1. The popularity of our county as a tourist destination. It is likely that tourism will increase, albeit not likely to previous years' levels, as people tire of stay-at-home orders and the weather warms.

2. The presence of a significant number of college students spending time outside of the area and potentially returning with COVID-19 with or without symptoms. With student populations of 8,000 and 22,000, respectively, Cuesta College and Cal Poly could significantly increase risk at the county level.

3. A lack of immunity for most residents, given a relatively low prevalence of COVID-19 during the first wave, as compared to other areas of California.

As specifically noted in the State Roadmap, until we build immunity, our local actions will be directed to achieve the following: • Ensure our ability to care for the sick within our hospitals; • Prevent infection in people who are at high risk for severe disease; • Build the capacity to protect the health and well-being of the public; and • Reduce social, emotional and economic disruptions San Luis Obispo County looks forward to further discussions with your office and other state agencies as we transition toward expanded local control. We believe that the SLO County guide provides a health-focused, comprehensive, science-based, publicly supported approach, that includes key indicators and metrics, to support a rational reopening of our public life.

Thank you,

Cc: Dr. Sonia Y. Angell, Director, Department of Public Health Dr. Mark Ghaly, Secretary, Health and Human Services Agency

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

See last week's COLAB Weekly Update for details on the subjects summarized below at the link <u>http://www.colabslo.org/prior_actions/2020/Weekly%20Update_Apr-26_May-2_2020.pdf</u>

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 Pacify Flyway would transmit it into California. 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 of 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.

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 programbased 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 the other entire services attendant to an economic meltdown are unprecedented.

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.

Constitutional Implications of the Shutdown

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.

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 <u>hotline for reporting non-compliance</u> 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.

Historical Dynamics of Pandemics

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. See last week's Update at

<u>http://www.colabslo.org/prior_actions/2020/Weekly%20Update_Apr-26_May-2_2020.pdf</u> to see the full story.

Supervisor Hill Speculation & Box Score

This week: How will Hill react to public calls for the County to end the lockdown and perhaps defy the Governor?

Last Week: Supervisor Hill appeared in person and participated actively in the meeting. He is clearly in the camp of maintaining the lockdown for as long as the County Health Officer requires it. He voted to send a letter to the Governor requesting that the County be allowed to manage its own phase out of the lockdown.

Two Weeks Ago: 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.

Three 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.

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

Five 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.

Six 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.

Seven 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.

Eight 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.

Nine 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 Hills'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

OUR VIRUS IS A VIOLENT TEACHER

BY VICTOR DAVIS HANSON

For a brief season in time, we glimpsed from the awful epidemic what was wheat and what was chaff, what was mahogany beneath and what a scrapped thin veneer above, who were the V8s and who the mere gaudy, tail fins—and how America ultimately got by and how it almost didn't.

"War is a violent teacher."—Thucydides

Before this virus has passed, those of the New York Symphony, like the defeated Redcoats at Proverbial Yorktown, will be playing the real "The World Turned Upside Down":

And then strange motions will abound. Yet let's be content, and the times lament, you see the world turn'd upside down.

Before the virus, apparently we were prepping for our brave new progressive, centrally planned dystopia.

During the Barack Obama years, government agencies had begun to chart a new inclusive future for *hoi polloi* Americans. We were lectured frequently that the Obama arc of the moral universe was

long, but it always bent toward his sense of justice. Translated that meant, like it or not, we Americans had a preordained moral rendezvous with a progressive destiny.

Suburban lifestyles, yards, grass, rural living, and commute driving were to be phased out. High rises, government run-buses, and high-speed rail were in: more people in less space, with less energy consumed, meant less trouble. Granny was better off in a green rest home, not the back bedroom.

Ohio was over; the EU was our future. Clean coal was a 20th-century embarrassment; the next and future Solyndra would be cutting-edge. The idea that the United States ought to be self-sufficient in energy and food seemed worthy of yawns.

Instead of the backyard barbeque and a lawn, apartment dwellers would enjoy shared green belts around their communal towers—albeit not as large as the Martha's Vineyard estate of Barack Obama or the palazzo of Nancy Pelosi.

Universities were to speak truth to power in new race/class/gender missions and diversity/inclusion/equality agendas. The old boring curricula of math, science, engineering, literature, language, history, and Western Civ were sputtering out, or recalibrated to include social activist themes.

After all, China and India would supply the world's next boring generation of rote engineers. But they could not invent, compute, or formulate without our brilliant peace studies and ethnic studies geniuses to give them moral instruction.

"Knowledge" became a relative construct, not an absolute that could be roughly calibrated. Students needed to appreciate that traditional curricula and grades were merely models of leveraging power by arbitrarily setting "standards"—pathologies that could only be understood by appreciating how the marginalized "Other" was victimized by them.

Being "woke" meant fathoming how unmet personal expectations ought always to be attributed to the fault of someone else—and, even worse, that "someone else" might be dead or alive. The Squad just told us so. Now Chairman Xi agrees.

Billions of dollars of university capital and budgets were diverted to new administration and faculty investments that might focus on how young people thought of themselves rather than what they actually knew. Everyone understood the job of vice provost for diversity, equity, and inclusion might easily disappear in a nanosecond and never be missed. No one dared to hint at the suggestion.

All were cynically aware that the vice president for diversity, equity, and inclusion made enough money to avoid living in a "diverse" neighborhood, put his own kids in a school where all were equally not poor, and wanted to be included among the elite.

There were new winners and losers in a transnational United States, and such university administrators were among the winners.

Globalization was to be seen as some sort of ultimate talent meter that finally told us not only who was talented but, more important, who was *worthy*. The dumb un-globalized losers could not figure out how to code, or lacked a communications major or international relations degree, or had not spent a semester abroad in China, or did not understand global investment. They clung to some ancient shibboleth—"Made in America"—as if producing stuff here really mattered.

So the deplorables and Lysol drinkers more or less deserved the hollowed-out manufacturing landscape, closed assembly plants, and industrial wasteland of the nation's interior that anachronistically and foolishly had bet that muscular labor still had a place in the postmodern world.

Erasing Reality

Dummies! Fitness comes from the Peloton, not mastery of masonry or welding. Drones, artificial intelligence, and robots could easily crawl under the house and fix the drainpipe, or shimmy into the attic to wire a new kitchen. No more need for plumbers or electricians.

In the minds of the new citizens of the world, the ossified working classes, when they were not smelling up Walmart or hiding their missing teeth with corny smiles, were written off as a basket full of deplorables and irredeemables, or the dregs of the earth, or the clingers who always retreat to their guns and religion—the worst nightmare of Robert Mueller's dream team and all-stars.

The more refined and bigger winners in the global crapshoot were unafraid to tell us that our fates really had been predetermined by "grey matter" (as in lots of theirs) that adjudicated who did "anybody-can-do-them" rote things like dropping seeds in the ground—or, in contrast, who excelled in capitalizing Chinese Communist companies.

The ancient principles of autarchy and autonomy—economic self-sufficiency and political independence—became passé. Borders, fair trade, and the U.S. Constitution paled in comparison to models like the <u>Schengen Agreement</u>, outsourcing and offshoring, and transnational organizations.

After all, who could ever imagine a time when you might need a constitutionally protected gun? Even if one could ever conceive of the unlikely act of letting prisoners out *en masse*, they were likely to return to productive lives, proving they never belonged in jail in the first place.

And we were assured by experts and *science* that the World Health Organization would warn us in plenty of time if a dangerous flu-like bug popped up 7,000 miles away.

Inventories were old and in the way. Just-in-time supply chains needed just enough Chinese products to arrive the day before they were sold out in stores. Who wished to pay for useless stuff stacked sitting on shelves for an excruciating 72 hours?

The idea that the United States might wish to be self-sufficient in pharmaceuticals, medical supplies, and rare earth minerals was written off as an update of Bonaparte's failed continental system.

For the global Right, the market would adjudicate borders (when entry-level wages dropped below sustenance level, immigrants would wisely stay home).

For the Left the greater the number of the "Other" who arrived illegally, and the poorer they were, the more fodder they'd have for flipping those bad-people red states into good-people blue states.

If there ever was some sort of zombie apocalypse-like collapse, the survivors in New York would show the doomed yokels in Texas the consequences of being Texas and not New York.

No one was supposed to want his children to be a skilled plumber, a master electrician, an effective teacher, or a heroic nurse. Better it was instead to owe \$100,000 in student loans to land an environmental studies degree, branded by a supposedly hard-to-get-into college. Even our Hollywood geniuses knew that—and were willing to go to prison to prove it.

Slick, shiny modern living magazines advertised the latest stone counters, metal refrigerators, and wood floors. Today's in-brands and tastes became, in a blink, tomorrow's proof of mundanity. Rarely did our elite wonder, much less care, from where the stone, the ores, and the timber came—much less who were the miners, the smelters, and the ax-men who harvested the stuff of their kitchens.

The Violent Teacher

Then the virus hit.

Panic ensued. Former madness was declared genius. More were needed in overalls, fewer in yoga pants. A Chevy van was preferable to a year's pass on the metro. A first-class ticket to Milan was nothing but a trip to nowhere.

Roomy yards were again correct, nice elevators not so much. The bigger and more "mine" the car, the better to get away from "them" and "theirs" in the subway.

Driving wasn't all that bad; flying apparently was. The quaint country cabin three hours from Manhattan was now a brilliant last redoubt. But living in Utah was even cooler than in Brooklyn Heights.

For some reason no one wished to vacation in Tuscany or see the Great Wall; all dreamed of an isolated lake at 7,000 feet in the Rockies, or the Sierras.

Vegas odds-makers, independent stock junkies, and the expert toilet-paper finder were deemed savvier than Ph.D. modelers from the Imperial College and the University of Washington. When the former's numbers were screwed up, they at least paid in real-time and money, when the latter's did, they sighed and screwed up again.

Toilet paper became bitcoins, hand sanitizer more valuable than Chanel.

Bankers were stuck in apartments trying to figure out a circuit breaker from a toilet baffle, and in Shakespearean fashion cried to spouses, "A handyman, a handyman, My kingdom for a handyman!"

For this moment at least, a ventilator producer, a bleach brewer, and a mask maker were our hoplites. The "I wouldn't want to be him" slob with a big belly and big arms was abruptly needed to drive all night to get arugula and asparagus in Whole Foods by morning—and did.

Travel bans, the "wall," and passport control were OK. Not so politically correct caravans of thousands of foreigners crashing through decrepit wire border fencing, nor those recently inaugurated direct flights from Wuhan. Take-out from MacDonald's, grease and all, was wiser and safer than a choice reservation at Le Coucou.

Our best and brightest policymakers now said it would have been nice to trust China less, and Western Pennsylvania more. Just *having* <u>Augmentin</u> seemed wiser than did the chance of *paying less* for it.

Some 360,000 Chinese children, mostly of Communist elites, in American universities were no longer touted by universities as proof of their diversity, but shamelessly lamented as a vanishing herd no longer to be targeted and price-gouged.

Zoom, Skype, and online courses proved to be the little boy who looked at the parading gaudy professors and asked why they went naked? Was it all that bad to see just the professor's videoed head without his strut?

There likely won't be much of a "new normal." Because when all the data is in, all the panic ended, the antivirals appearing, all the vaccinations working, the herd immunity growing, and the real lethality rate dropping, most of us, despite the tough barroom talk of Alexandria Ocasio-Cortez and the dreams of governors Andrew Cuomo and Gavin Newsom, will go back to business as normal.

Yet we should hope not quite normal, either.

For a brief season in time, we glimpsed from the awful epidemic what was wheat and what was chaff, what was mahogany beneath and what a scrapped thin veneer above, who were the V8s and who the mere gaudy, tail fins—and how America ultimately got by and how it almost didn't.

By Victor Davis Hanson • April 26, 2020104 Comments / in Great America Great America

WHO WILL PAY FOR THE CORONAVIRUS BAILOUT? IF YOU'RE UNDER 50 AND WORKING, YOU WILL

BY SHAWN TULLY

America's cable TV anchors and policy experts are paying scant attention to what's arguably the most damaging and enduring aftershock from the COVID-19 pandemic: the outbreak in deficits and debt to levels not witnessed since World War II.

The U.S. was facing a dire fiscal future before the crisis struck, but the economic lockdown, and the gigantic new spending enacted to combat it, brings the day of reckoning far closer. By borrowing multiple trillions at a pace never before seen, the U.S. is endangering the sterling credit that makes Treasuries and the dollar the safest of havens for global investors. It is likely that within the next decade, the U.S. will need to impose monumental tax increases. What America's leaders aren't saying is that it's the middle-class Americans working today, the autoworkers, nurses, and deli owners, and not just their future generations, who''ll foot most of the bill.

Says Brian Riedl, a budget specialist at the conservative Manhattan Institute: "Even though the spending to battle the coronavirus has made our fiscal outlook far worse, the administration is calling for another round of tax cuts, and both Congress and the administration are talking about spending trillions more on infrastructure and other programs. If the U.S. government keeps spending like the Europeans, the American middle-class will be taxed like Europeans."

The reality of stimulus checks

Most of the new spending is incorporated in the CARES or Coronavirus Aid, Relief, and Economic Security Act, signed on March 27 by President Trump. The CARES measure, along with two previous, much smaller bills, appropriates \$2.4 trillion, chiefly to assist businesses and families. But all of the CARES spending won't, over time, translate into bigger borrowings. The program allocates around \$1.6 trillion in direct payments, including \$290 billion to families, \$180 billion to support health care, and \$119 billion for education. Passenger airlines are getting capital injections of \$25 billion. It also earmarks \$366 billion in "loans" for small businesses, mostly provided by the Paycheck Protection Program (PPP). But most of that cash is likely to turn into grants. If the restaurants, landscapers, physician practices and the like maintain their pre-crisis payrolls for eight weeks after they receive the aid, the loans can be forgiven.

The CARES Act also encompasses a second category, loans that companies are obligated to repay. That comprises \$454 billion for midsize businesses with up to 10,000 employees under the Main Street Lending facility, a number that the Fed will leverage to deliver hundreds of billions in credit, and \$56 billion for passenger and cargo airlines, the U.S. Postal Service, and "firms vital to national security," notably defense contractors. All told, the loans, including an estimate of the PPP credits that won't become grants because some companies couldn't afford to keep employment at pre-crisis levels, comes to around \$600 billion.

We'll make two, best-case assumptions. First, the U.S. enjoys a sharp, V for victory recovery that lifts national income at the end of 2021 back to the mark at the close of 2019. Second, the rebound

enables businesses to repay all or almost all of that \$600 billion owed the Treasury. Then how much more does the U.S. need to borrow this year and next, with some sums in fiscal 2022, versus what was predicted before the crisis? In other words, how more indebted is the coronavirus going to make America?

Here's what Treasury needs to borrow to get through 2021 and, probably, part of the following year. Once again, the bill from the CARES Act and two previous measures, come to \$2.4 trillion. The shutdown is hammering tax revenues, and ballooning spending on existing aid programs such as Medicaid and standard unemployment benefits, excluding the extra assistance included under CARES. In a letter to Congress released on April 17, the Congressional Budget Office (CBO) forecast that the combination of cratering inflows and surging emergency spending will add \$1.76 trillion to the shortfall. That's not all. The PPP blew through all of its \$349 billion in funding over just two weeks. On April 20, Congress neared an agreement on another \$370 billion infusion for PPP, plus \$100 billion for hospitals and COVID-19 testing, hiking the tab by \$470 billion.

Here's how it all adds up. CARES and other legislation cost \$2.4 billion, the recession another \$1.76 trillion in lower taxes and higher outlays on programs such as Medicaid. The new funds to replenish the PPP and aid health care providers add \$470 billion. Those numbers bring the total of new borrowings through the close of fiscal 2021 to over \$4.6 trillion.

Keep in mind, the U.S. could collect as much as \$600 billion in repaid loans next year and beyond, and will also recoup around \$200 billion in levies due from the temporary payroll tax holiday granted to ease the strain on businesses. This emergency borrowing also comes on top of an already ballooning deficit that the CBO forecast at \$1.073 trillion for 2020.

So where does that leave us? With an expected \$1 trillion–plus yearly shortfall, \$4.6 trillion in new borrowing, minus that \$800 billion or so the Treasury could well collect in loan repayments and catch-up on payroll taxes. So it's reasonable to assume the national debt will grow by \$4 trillion more through early fiscal 2022 than was planned for in early March. That would mean America's debt will jump from a previously forecast \$17.7 trillion at the end of 2021 to \$21.7 trillion, a 23% rise unmatched since 1942 as America mobilized to fight Germany and Japan.

The impact of all this debt

The \$4 trillion haymaker both deepens future deficits, and in one stroke, undercuts a crucial measure of financial strength, America's debt as a share of GDP. In March, the CBO issued pre-crisis projections for the next decade that included forecasts for outlays, revenues, deficits, and total debt. But the CBO is required to make its forecasts under the assumption that "temporary" tax cuts slated to sunset actually do expire, and restraints on expenditures remain in place. For example, the CBO's numbers show the rates lowered in the 2017 tax act snapping back to their old levels in 2025 as scheduled, and congressional budget caps holding discretionary spending to tiny increases staying in force. In reality, Congress and the administration almost always renew middle-class tax breaks, and agree to bust the restraints to satisfy Republican demands for higher defense spending and Democrats' push to strengthen social programs.

The CBO does issue "alternative" budget numbers showing the almost certain scenario that the tax reductions continue, and that the spending curbs are broken. To get the most realistic projections, I adjusted the CBO's official forecast by incorporating the "alternative" outlook from June of 2019, and plugged in the new numbers brought on by the crisis.

The alternative budget predicts a gap between expenses and revenues that expands from \$1.073 trillion or 4.6% of GDP in fiscal 2019 to \$2.16 trillion in 2029, rising to 7% of national income. Total debt jumps to \$32.4 trillion, rising from 79.2% to 105% of GDP. Thereafter, unbridled growth in Medicare and Medicaid in future decades keeps deficits and debt on a rapidly climbing escalator.

Now, let's add the impact of the \$4 trillion thunderbolt. First, the U.S. will be paying much more in interest than previously forecast, cash that can't go to hiring more teachers or paying for hospital stays for the elderly. Right now, the Treasury is borrowing at extremely low rates. But the CBO predicts that cheap money won't last, especially since huge borrowings could erode America's vaunted creditworthiness. The CBO forecasts average rates in the 2.6% to 2.7% range over the next decade.

The coronavirus-driven debt swells the yearly interest burden that in turn, expands the debt load. Compound interest is working against the U.S. big-time. Each year through fiscal 2029, the U.S. would on average pay an extra \$130 billion in interest, lifting annual spending by 2.3%. Interest expense would rise from \$375 billion in 2019 to roughly \$1.2 trillion in 2029, or 14% a year, becoming the fast-growing expense in the budget. That's more than double the rate of growth for Medicare and Medicaid. Driven by ballooning interest, the deficit would reach almost \$2.4 trillion in fiscal 2029, or a huge 7.7% of GDP, versus 4.6% in 2019. The U.S. would be borrowing 33¢ on every dollar it spends, compared to 22¢ last year.

The relentless compounding would increase the national debt to \$38 trillion in 2029, more than double the \$16.8 billion in 2019.

If that scenario plays out, the U.S. would shoulder a staggering 123% of debt to GDP in a decade, 18 points higher than under the CBO's already scary alternative budget projections. That's approaching Italy's current 135%, and exceeds France's ratio of 98% by one-fourth.

Could the U.S. impose a VAT?

The outbreak makes this future burden so much more crushing that America probably won't get to those 2029 numbers. Piling on that unforeseen \$4 trillion makes it much more likely that a credit crisis will strike sometime in the next several years, forcing radical action. The idea that taxing the wealthy will come close to solving the problem is an illusion. Riedl points out that seizing all income over \$1 million would increase revenue by 3.4% of national income, only three-quarters of what's needed to close the pre-crisis deficits. The rub is that the U.S. middle class is where the big money is, and middle-class families pay extremely low income taxes. Trump lowered their rates in 2017, and no major politician advocates increasing them. In fact, the rate paid by the median family making \$59,300 a year is just 3.3%.

Balancing the budget in the next few years would require a combination of a 20% value-added tax (VAT), similar to a national sales tax, and an extra 10% to 15% levy on payrolls. Big new revenues from those sources were the only solution before the outbreak. But the timetable was different. It looked like the U.S. could wait well beyond a decade to impose the big hit, because debt was climbing relentlessly but slowly. But piling on \$4 trillion overnight, and heightening the interest burden, could scare foreign investors who keep our rates low and the dollar strong. Until COVID-19 hit, it appeared that the baby boomers were simply offloading the burden onto generations that might not start working for 20 years. Now, today's middle-class workers in their forties and even fifties will likely get stuck with the huge tax increases.

A few years ago, I wrote a story on the one thing former House Speaker Paul Ryan, an advocate of reining in spending, and economist Paul Krugman, champion of a large and active government, agreed on. Both predicted that imposing a big VAT was the only way America could deliver on all the benefits that it's promised its citizens. Ryan advocated lowering the trajectory of spending to avoid a VAT, but still thought it would probably happen, while Krugman thought it was both inevitable and the way to go. The pandemic just lifted the odds of European-style taxes to a virtual certainty. The middle class will start paying for those IOUs soon, and it's the virus that has brought the reckoning from a dot in the distance to a daunting fiscal future that's approaching fast.

CALIFORNIA'S COMING TAX TSUNAMI by lee ohanian

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A tax tidal wave is coming to California. And almost certainly to most other states. The only questions are how soon and how big. For California, it will be sooner rather than later, and bigger rather than smaller. And if you think California taxes are high now, just wait.

With state tax revenues plunging, and with coronavirus-related spending of at least \$7 billion, California's rainy-day fund is already implicitly allocated. And this calculation does not consider the possibility of the state needing to backstop major municipalities, all of which are experiencing sharply declining revenue.

Higher taxes were already a given for California, because the state budget—even without the pandemic—is out of control.

For years, California lawmakers have adopted profligate budgets that simply do not serve most Californians. <u>Govern for California</u>, a nonpartisan research center that studies California governance, recently calculated the growth in several of the state's major budget categories between fiscal years 2010–11 and 2018–19.

During this period, state tax revenue rose 65 percent, reflecting both state economic growth after the financial crisis and inflation. But the extremely skewed growth across major budget categories presented below highlights the current priorities of state lawmakers and the very poor choices of their predecessors.

K–12 education and community college spending rose about 51 percent, considerably less than revenue. But spending on the UC system, arguably the world's best public university system, rose just 27 percent, which was only slightly ahead of inflation. And spending on the state's court system, which is a mainstay of any democratic society, rose just one percent.

Lawmakers chose to allow the fundamental institutions that protect our property and civil rights to decline substantially, and to barely cover cost-of-living increases for the state's main knowledge-producing institution.

Where did the money go? It went to categories that formerly were small and that now are taking an increasingly large piece of the revenue pie. Medi-Cal spending rose by about 110 percent. Pension spending rose by 100 percent. And spending on the state's prison system rose by 70 percent.

Here is where accumulated policy choices have sealed the state's fiscal fate. Medi-Cal is an entitlement, and it expanded enormously when California chose to dive headfirst into Obamacare. The 13 million people currently enrolled in Medi-Cal, if populating their own state, would make up the country's fifth largest. And the system is so poorly managed, with not nearly enough oversight, that \$1 billion was spent for ineligible recipients in just a six-month period. If you ask about the cost of fraud and abuse, well, your guess is as good as mine, which would estimate around 5 percent of the budget, or about \$1 billion or more per year.

Pensions are the 800-pound gorilla in Sacramento that state lawmakers are refusing to discuss but that represents a speeding freight train without brakes. Year after year, lawmakers have been willing to make strategic pension promises to politically important unions that would never be kept without great harm to the state.

What could be better for a politician than securing the political support of unions by agreeing to pension payoffs that were way outside the universe of any sensible retirement plan? And that would not come home to roost until the politician is out of office?

Very high spending on the prison system also represents a significant policy-maker mistake. The California Correctional Peace Officers Association is an incredibly powerful union that represents the state's prison guards. So powerful that prison guards enjoy salaries that are about 82 percent higher

than the country's median prison guard salary, with enormous overtime payment and a pension that has paid 85 percent of the officer's final year salary, including overtime, beginning at age 55.

The union also has been powerful enough to suppress reform, rehabilitation, and training programs that would give inmates a chance at carving out a career once they left prison. At one time, California's prison inmate recidivism rate was the best in the country, with relatively few inmates returning to prison. Now it is among the worst, with 50 percent of released prisoners returning. Nothing like the prison guard union driving up demand for their own services.

The current budget clearly suffers from being able to support what are known as discretionary programs such as the state's university systems and the judicial branch of government. And here lies the rub. State entitlement programs and constitutionally protected programs, such as K–12 education, are absorbing so much spending that there is little left.

Just how much spending do these categories absorb? In fiscal year 2018–19, about 85 percent of California's budget was allocated to just health spending (entitlement—very hard to cut), pensions (contractual), K–12 education (constitutionally protected), prisons (court-ordered spending), debt service (contractual), and welfare. And given current trends, health spending and pensions will rise substantially in coming years.

This is simple arithmetic. And it has awful implications for the future of California. Given the mistaken choices that lawmakers have made over the years, Sacramento will be looking to increase taxes substantially. The first tax domino to fall will likely be the passage of the California Schools and Local Communities Funding Act of 2020. This is a euphemistically misleading title, because this act will remove 1978's Proposition 13 property tax protection from businesses with annual sales under \$3 million.

This act is called a split-roll initiative, because it will not affect residential property taxes, which will continue to be governed by Proposition 13. Lawmakers are being very strategic by aiming only at businesses, as they are betting that enough voters will be willing to raise taxes on businesses rather than themselves. I suspect that the lawmakers are right that this act will pass.

California lawmakers are advertising this as a \$12 billion revenue gain, but it will likely be less, as higher business costs will accelerate the exodus of California businesses. Sadly, even if it were another \$12 billion, this additional revenue will not solve California's fiscal headaches. Not even close for a \$220 billion budget. This is just the beginning.

Hoover Dealy Report of April 28, 2020, , Lee Ohanian



ANNOUNCEMENTS

6

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



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MEMBERSHIP APPLICATION

MEMBERSHIP OPTIONS:

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Sustaining Member: \$5,000 + \$\$

(Sustaining Membership includes a table of 10 at the Annual Fundraiser Dinner)

General members will receive all COLAB updates and newsletters. <u>Voting privileges are limited to Voting Members</u> and Sustainable Members with one vote per membership.

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