

# Impact

Summer 2020

A Pacific Research Institute Publication

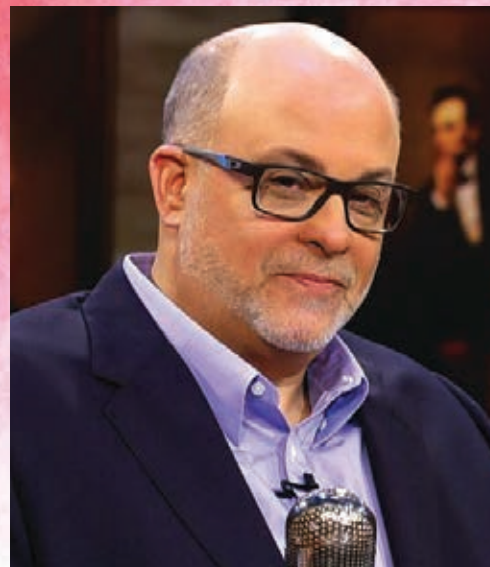


**Navigating the New Normal:  
Policy Solutions for a  
Post Coronavirus Future**

# SAVE THE DATE FOR PRI'S UPCOMING FALL EVENTS\*

## SIR ANTONY FISHER ANNUAL **GALA DINNER** SATURDAY, NOV. 14, 2020

THE PALACE HOTEL, SAN FRANCISCO  
FEATURING KEYNOTE SPEAKER AND  
TAUBE FAMILY FREEDOM PRIZE RECIPIENT  
**MARK LEVIN**  
NATIONALLY-SYNDICATED RADIO HOST AND  
HOST OF "LIFE, LIBERTY AND LEVIN"



9TH ANNUAL BARONESS THATCHER  
**GALA DINNER**  
WEDNESDAY, OCT. 14, 2020  
THE RESORT AT PELICAN HILL, NEWPORT COAST  
FEATURING KEYNOTE SPEAKER  
**KIMBERLEY STRASSEL**  
OF THE *WALL STREET JOURNAL*  
AWARD RECIPIENT HON. JANICE ROGERS BROWN

**FOR EVENT INFORMATION, VISIT [WWW.PACIFICRESEARCH.ORG/EVENTS](http://WWW.PACIFICRESEARCH.ORG/EVENTS)**

\*Events subject to advice and orders from state and local health departments and other executive orders.

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# Dear Friends and Supporters,

These are stressful times for our nation. Americans have faced shelter-in-place orders that lasted weeks. Millions have been furloughed or lost their jobs as businesses closed their doors, some for good. Unable to see family and friends, many turned to “Zoom” calls as a virtual substitute.

This edition of *Impact* focuses on ideas to help Americans get through the COVID-19 crisis, and market-based solutions to get the economy up and running again.

Working from home, PRI’s team has been hard at work researching and advancing policies to restore our nation’s economic vitality while addressing pressing challenges in the areas of health care, K-12 education, and worker freedom.

- On Pages 4-7, you can learn more about our COVID-19 work, from insightful analysis on the government’s response to the pandemic to policy ideas for a free-market road to recovery.
- Read my article on single-payer advocates like Bernie Sanders and Alexandria Ocasio-Cortez taking advantage of the COVID-19 crisis to push “Medicare for All,” which would hinder efforts to combat future pandemics if enacted in the U.S. (Pages 8-9).
- Lance Izumi offers advice for parents who have suddenly had to educate their kids at home with schools closed across the nation (Pages 14-17).
- Kerry Jackson writes about Sacramento “doubling down” on the enforcement of Assembly Bill 5’s restrictions on indepen-

dent contractors, which is making it harder for the newly-unemployed to earn a living (Pages 22-24).

As we begin to turn the corner on COVID-19, policy debates are shifting away from coronavirus relief to other important issues, including the environment, income inequality, and education.

- A new study by Dr. Wayne Winegarden shows that Californians could save more than \$2,000 per year in energy costs—and the state would continue reducing emissions—if policymakers embraced free-market energy policies (Pages 18-19).
- Get a preview of three important new books that PRI will be publishing this year on universal basic income, school choice, and California’s water future (Pages 20 and 21).

It is my hope that you and your family are staying safe, and that life can slowly start returning to normal—even with social distancing rules in place for the near future.

On behalf of everyone at PRI, we are most grateful for your continued support of our work. This global pandemic shows just how important it is to advance free-market policies to get our economy back on track, and promote opportunity, prosperity, and a better quality-of-life for all Americans.



Sincerely,

A handwritten signature in cursive script that reads "Sally".

Sally C. Pipes  
President, CEO, and  
Thomas W. Smith Fellow  
in Health Care Policy







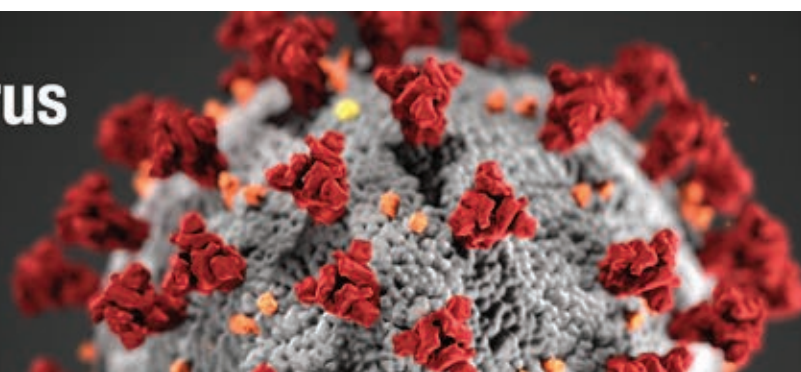
# AMERICA AND COVID-19: RECOVERING AND REOPENING

**A**s America and the world grapple with the challenge of fighting the Coronavirus and overcoming economic hardship, the Pacific Research Institute is committed to providing sound policy ideas in this time of uncertainty.

Now more than ever before, PRI's research, publications, and programs in key areas such as health care, the economy, education, and the environment are critically relevant for policymakers and others working to move us out of this crisis. As just one example, many of the innovations in online education that millions of students are now using have long been championed by Lance Izumi, Director of PRI's Center for Education.

The following pages highlight some of PRI's ongoing work responding to the COVID-19 crisis.

# Coronavirus UPDATES



## New PRI Coronavirus Page

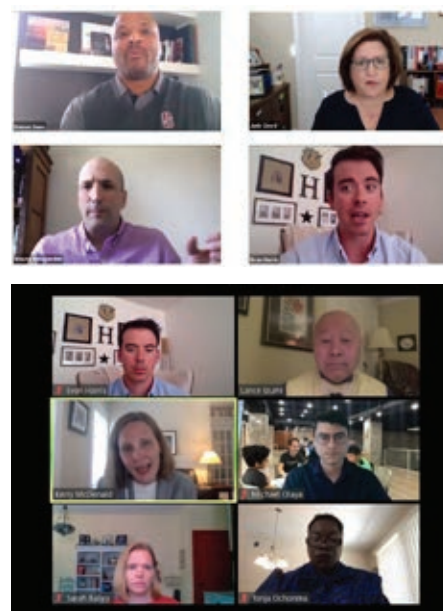
PRI launched a new section on our website, [www.pacificresearch.org/coronavirus](http://www.pacificresearch.org/coronavirus), which is updated on a regular basis with the latest op-eds, podcast episodes, news article citations, and videos on the policy implications of the pandemic. Since COVID-19 first hit the public policy radar screen in January, our scholars have collectively published more than 120 op-eds, blogs, and commentaries offering market-based perspectives on all aspects of the crisis and recovery efforts.

## Coronavirus Webinar Series

Unable to hold in-person events since mid-March due to California's public health orders, PRI and its Young Leaders Circle have instead held several "virtual" webinars showcasing our scholars and other noted experts discussing a host of topics related to the COVID-19 crisis.

One webinar analyzed how entrepreneurship may prove the key to California's economic recovery once the crisis passes. Judy Lloyd from the National Federation of Independent Business, PRI Fellow in Business and Economics and entrepreneur Damon Dunn, and PRI Senior Fellow in Business and Economics Dr. Wayne Winegarden discussed policies that would help Californians climb back up the economic ladder. The webinar has received nearly 13,000 views on Zoom and social media.

Another webinar featured Lance Izumi, senior director of PRI's Center for Education and an expert panel providing practical information for parents to help educate their kids at home during the COVID-19 crisis. The panel reviewed how schools and parents have transitioned to homeschooling through the use of online-learning tools and curricula and provided information on distance learning options available. The webinar has received over 9,400 views on Zoom and social media.



Stay up-to-date with PRI's latest work on the COVID-19 crisis  
[www.pacificresearch.org/coronavirus](http://www.pacificresearch.org/coronavirus)

## PRI Scholars in Demand

While working remotely, PRI's scholars have also been sought after for their analysis on COVID-19-related topics.

PRI Senior Fellow in Health Care Studies Dr. Henry Miller has been in high demand for his expertise on a broad spectrum of scientific and medical issues, including regulatory reform and vaccination. Dr. Miller is the former founding director of the FDA's Office of Biotechnology and has conducted vital research on complex issues like genetic engineering and emerging viral diseases.

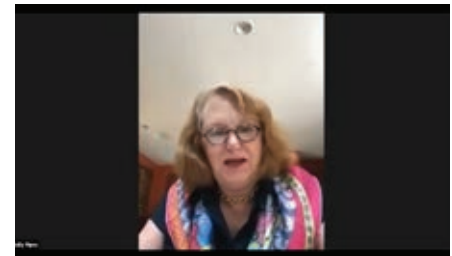
On April 1, Dr. Miller was the featured expert on FoxNews.com's "Coronavirus: Ask An Expert Live Blog," where he answered viewer-submitted questions on the virus from Fox News reporter Madeline Farber. He addressed important questions about social distancing, vaccines, FDA regulations, and testing for the coronavirus.

Dr. Miller has appeared on several radio programs, including regular weekly appearances on the nationally-syndicated "Lars Larson Show" and "John Batchelor Show," published op-eds on the virus for the *Wall Street Journal*, *National Review*, and other publications, and has been quoted in *Healthline*, *Drug Topics News* and other health media. His comments on the questionable statements made by Dr. Oz and other TV doctors was covered by NBC News and the *Washington Post*, and reprinted in dozens of major newspapers nationwide.


As PRI's "Single-Payer Poll Watch" has documented, support for single-payer health care has been on the rise since the start of the COVID-19 crisis. Sen. Bernie Sanders, Rep. Alexandria Ocasio-Cortez, and others have used the pandemic to push for "Medicare for All." PRI President, CEO, and Thomas W. Smith Fellow in Health Care Policy Sally C. Pipes has been a prominent voice educating the American people through her numerous op-eds and media appearances that socialized medicine would make the country less able to respond quickly to future pandemics.

With in-person events cancelled, Pipes has given numerous online speeches to virtual audiences nationwide—including a PRI webinar on the push for single-payer during the COVID-19 crisis which has received over 5,700 views to date on Zoom and social media. She also spoke at webinars hosted by the Heritage Foundation, Policy Circle, and the Oklahoma Council on Public Affairs, where questioners included state lawmakers and the Oklahoma state insurance commissioner.

On March 19, Tim Anaya, PRI's senior director of communications and the Sacramento office, was featured on a special online edition of the Commonwealth Club's Week to Week Political Roundtable. Joining the discussion on Zoom from his living room in Sacramento, Anaya discussed how the California's rainy day fund - a reform championed by free-marketeers to reduce the severity of future budget crises—would ease the state's efforts to close a record \$54 billion budget deficit.







# **Would “Medicare for All” have improved US response to COVID-19?**

**By Sally C. Pipes**

*Originally published at FoxNews.com*



The presidential campaign of Sen. Bernie Sanders, I-Vt., may have ended, but his “Medicare for All” crusade marches on. Writing in *The New York Times*. . . Sanders argued that the coronavirus outbreak proved the government should take over our nation’s health care system.

Sanders isn’t the only one championing “Medicare for All” in the wake of the pandemic. More than half of voters now say they support a single-payer system. But “Medicare for All” would not have improved our nation’s response to the outbreak. Other countries with socialized medicine have struggled mightily to combat COVID-19. In fact, the United States would have been even less prepared for the pandemic under “Medicare for All”.

Sanders claims that COVID-19 lays bare the “absurdity and cruelty” of our health care system. He takes issue with the fact that millions of Americans who have recently lost their jobs have also lost their employer-sponsored health insurance. The Vermont senator worries about hospitals going bankrupt and health care workers getting laid off, even as the pandemic rages around us. Sanders believes “Medicare for All” is necessary to fix all those problems. He’s sorely mistaken.

Take the coverage issue. Anyone who has lost their employer-sponsored insurance has the ability to purchase insurance through Obamacare’s exchanges. Thanks to an executive order promulgated by the Trump administration, many can also purchase an affordable short-term, limited-duration health plan that can last for up to a year. Insurers can renew the plans for up to three years. Some of these short-term plans offer more generous coverage at lower cost than is available on the exchanges.

Sadly, short-term plans are unavailable in 11 states, whether due to outright bans or regulations that have resulted in insurers declining to sell coverage. More than half of states restrict the availability of short-term plans beyond what the Trump executive order envisions.

Sanders envisions “helping” those who lost their employer-sponsored coverage by just banning private insurance altogether and dumping everyone into a one-size-fits-all government plan. That would be tremendously disruptive.

According to the most recent U.S. Census figures, some 178 million people had private insurance coverage through their employers; another 34 million purchased private insurance directly. Most working privately

insured households would pay more for health coverage under “Medicare for All”.

“Medicare for All” would also hasten hospitals’ descent into insolvency. The plan envisions reimbursing health care providers at levels similar to Medicare’s existing rates, which are about 40 percent less than what private insurance pays. One-quarter of rural hospitals are already at risk of closure due to poor finances. A massive pay cut could force them to shut—and leave millions of Americans without ready access to care.

That’s a position many patients in countries with socialized medicine have found themselves in. Their health care systems don’t have sufficient capacity to handle a health crisis like COVID-19. Italy has just over 12 intensive-care unit beds per 100,000 people. The United Kingdom has fewer than seven per 100,000. The United States, by contrast, has 35 ICU beds for every 100,000 people—the highest per-capita rate worldwide.

Perhaps more important, the United States has more open acute care beds than most developed countries, as Doug Badger and Norbert Michel point out in a new analysis for the Heritage Foundation. Over one-third of acute care beds are open in the United States, compared with just 15 percent in the United Kingdom and under 10 percent in Canada.

Finally, the U.S. government’s own mishandling of the COVID-19 pandemic is proof enough that it’s incapable of running the entire health care system. “Sloppy” practices at the Centers for Disease Control and Prevention left the agency’s first batch of COVID-19 tests contaminated and set the country’s pandemic response back nearly a month.

Federal officials assured us everything was fine – and went so far as to initially prohibit private labs from producing COVID-19 tests of their own. Those labs later struggled to get approval to create and conduct tests.

“Medicare for All” wouldn’t serve the country any better post-pandemic. Americans are understandably shocked at the prospect of hospitals choosing which COVID-19 patients get ventilators. But such rationing occurs on a daily basis in countries with single-payer.

Under “Medicare for All,” rationing and long waits for care would become the norm in the United States, too—not just during once-a-generation outbreaks but each and every year.

*Sally C. Pipes is the Pacific Research Institute’s president, CEO, and Thomas W. Smith Fellow in Health Care Policy.*





**E**very day seems to bring some new, unexpected, unpleasant revelation about the SARS-CoV-2 and the illness it causes, COVID-19 . . .

If the clinical aspects of the disease have been difficult to catalog and manage, the public health considerations have been equally vexing. We know enough now, however, to offer improved guidance for setting public health policy. Rather than using projections of cases and fatalities to guide policy decisions, the focus should be on the granular level of how the virus physically spreads. It is time to relegate the COVID-19 epidemiological models primarily to projecting required hospital and ventilator capacity and supplies of personal protective equipment.

Based on a survey recently in New York, it appears that a very high percentage of new cases can be traced to individuals' homes and to care facilities such as nursing homes . . .

We are also learning more about the role of children in spreading COVID-19 from an analysis just released by the Netherlands's National Institute for Public Health and the Environment:

Worldwide, relatively few children have been reported with COVID-19. Data from the Netherlands also confirms the current understanding: that children play a minor role in the spread of the novel coronavirus.

. . . With sufficient resources, there are measures available to mitigate institutional spread that must be more widely and aggressively applied. There are limited controls available within households, however, so the main objective there needs to be eliminating the introduction of infection and performing contact tracing once that bubble has been pierced.





# SMOOTHING THE BUMPY ROAD TO REOPENING

By Henry I. Miller, M.S., M.D., and Andrew Fillat

Excerpt from article originally published in *American Greatness*

More new information from recently updated CDC guidelines: COVID-19 “does not spread easily” by touching contaminated surfaces or objects, by animal-to-human contact, or vice versa . . .

Those findings are consistent with an excellent article by University of Massachusetts immunologist Erin Bromage that explores the math of virus transmission. It strongly suggests that most forms of short-lived, non-intimate contact have little chance of transmitting a sufficient load of the virus to infect anyone except the immunologically compromised. Outdoors, the probability becomes even lower, because of air movement and dilution, and the consequent dissipation of viral particles . . .

The same analysis shows that in indoor environments, the key physical factors are the rate of air exchange and the overall volume of air in the space. So, for example, a big-box store with effec-

tive air conditioning (ideally, with HEPA filters) is far less favorable to transmission than, say, a small boutique. This also explains why crowded restaurants and bars and homes and non-hospital care facilities are so conducive to contagion.

The second critical consideration is the number and distribution of virus particles emanating from a person who is infected. A cough projects far more virus a greater distance than breathing, and a sneeze is still worse . . .

Although no prescription for behavior can be perfect, we can offer some guidance. First and foremost, people with known exposure to COVID-19 or with fever and cough or sneezing should not go out in public, and should wear a mask if they must leave isolation. (If there were to be any basis for strict enforcement, we believe this should be it.) They must isolate as much as possible, preferably somewhere with effective air exchange and filter-

ing to avoid infecting family and anyone else in close proximity.

The second relatively obvious policy prescription is to permit outdoor activities where reasonable distancing is possible. That will make most parks and beaches accessible, provided the capacity is policed to avoid overly close spacing . . .

Along similar lines, indoor capacity controls should be tailored to the type of space and efficiency of ventilation. Roping off sections of a big box store is senseless, compared to overall capacity management and requiring that staff and customers wear masks . . .

Because infections will still occur, contact tracing becomes very important. A high priority should be placed on testing of households where infections may have spread before the onset of symptoms in the first case.

Although we know that pre-symptomatic people can spread the virus, it is less clear how capable of spreading infection are individuals who are known to have been infected but remained asymptomatic. For that reason, it is critical to continue extensive population screening with accurate (validated) antibody tests, in order to assess the magnitude and importance of asymptomatic infection.

Taken together, these considerations suggest logical guidelines. It is clearly past time to rein in the baseless, arbitrary restrictions that have been imposed by some politicians, as they can only inspire non-compliance and contempt. Predicating policy on transmission dynamics can clear away the miasma of regulation based on macro trends and guesswork. We still need continued research on how the SARS-CoV-2 virus can most effectively be prevented from spreading from person to person.

Social distancing, testing, and the wearing of masks in relevant settings should be continued, along with contact tracing. The improvement of HVAC systems is less obvious, but also critical. Keeping the most dangerous—i.e., potentially most prolific—sources of spread contained should be the focus of enforcement.

None of what we have suggested eliminates the risks for those who do become infected, although there is some evidence that exposure to larger amounts of virus leads to worse outcomes. We need effective drugs and better clinical management practices. In the meantime, we believe that dispensing with unnecessary and unscientific restrictions on our behavior and the economy will go a long way toward safely returning the nation to some semblance of normality.



Download a copy of the  
brief at [www.medecon.org](http://www.medecon.org)

## “Buy America” Plan Would Hurt Patients, Economy

The Trump Administration is preparing an executive order to expand “Buy America” rules to force federal agencies to purchase more drugs and medical supplies domestically. A similar effort—the “Strengthening America’s Supply Chain and National Security Act” authored by Sen. Marco Rubio (R-Florida) and Rep. Michael Waltz (R-Florida)—has been proposed in Congress.

A new issue brief authored by Sally Pipes from PRI’s Center for Medical Economics and Innovation argues that expanding “Buy America” rules for prescription drugs and medical supplies would reduce patient access to drugs and further damage the economy.

Roughly 1300 plants in the U.S. manufacture pharmaceuticals, yet most ingredients come from overseas. A “Buy America” rule would cut off U.S. manufacturers from international suppliers. With just 28 percent of key ingredients for FDA-regulated drugs made in the U.S., the brief makes the case that a “Buy America” rule could lead to immediate shortages and price hikes.

“Amidst a growing recession, this new mandate would hurt our economy further, increase patient costs, and threaten innovation,” said Pipes. “Rather than shooting ourselves in the foot, we should seek better enforcement of U.S. trade deals and expand our skilled workforce to make our medical supply chain more secure.”



# Escaping the “Drug Pricing Maze”

*New Animated Series Highlights Ways to Lower Prices and Unleash Innovation*

As prescription drug pricing and accessibility has become a greater topic of discussion during the current coronavirus pandemic, PRI’s Center for Medical Economics and Innovation has launched a new series of animated videos that aims to guide Americans through the “drug pricing maze.”

In the “Escape the Drug Pricing Maze” series, Professor Salvare guides Pete Paystoomuch through the drug pricing maze, showing in a lighthearted, easy-to-understand way how the direction policymakers take on drug pricing policy could impact the affordability and availability of current medicines, and innovation that could lead to future, life-saving cures.



Dr. Wayne Winegarden, director of PRI’s Center for Medical Economics and Innovation notes, “There is a lot of confusion and misinformation surrounding drug price control legislation and proposals to import drugs from foreign countries. These proposals may sound good, but they would harm America’s patients in practice. Our new animated series aims to help viewers learn the basics about how drugs are priced, and why reforms to fix this complicated system are needed to increase affordability and ensure future innovation.”

Future videos in the series will address the following topics:

- Understanding pharmaceutical prices, co-pays, co-insurance, and other costs paid by patients and insurers
- How medicines are sold in the United States
- How much it costs to develop a new medicine
- Why drug prices are higher in the U.S., and when they are cheaper
- The high costs of price controls and drug importation
- Reforms to promote innovation and patient affordability

To watch the “Escape the Drug Pricing Maze” video series, visit [medecon.org](https://medecon.org)





# Homeschooling ADVICE FOR PARENTS DURING SCHOOL SHUTDOWNS

**BY LANCE IZUMI**

*Originally published in Real Clear Education*

**W**ith conventional schools shut down across America due to the coronavirus, many parents are considering homeschooling, but have questions about how to begin and how to get the best results for their children.

Someone who has answers for these parents is Sarah Bailey, founder of Love of Learning Home-school Learning Center, which is located in the Sacramento, California area and which provides supplemental classes for homeschooling families that support and enrich what is taught at home.

She has talked to parents dealing with school closures and has advised them not to panic.

“Many parents have never had their children home all day,” says Bailey, so it is “a great time to slow down and get to know your child.” “Read books together, go on walks and bike rides, play games and eat meals together.”

When parents make the decision to homeschool their children, she says that there are plenty of resources available for homeschoolers: “There is so much out there to choose from. I tell parents to begin with the end in mind. What kind of adult do you want your child to be and go from there. What’s nice about homeschooling is that if a certain curriculum isn’t working for your child you can switch it at anytime.”

Bailey assures parents, “You don’t have to do it all yourself and you don’t have to be a teacher.” Indeed, there are lots of different learning choices for homeschoolers today, including online learning,

which has become extremely important during this crisis.

Author and homeschooling expert Kerry McDonald says, “there are many online learning resources that families can take advantage of, including many that are free.”

For instance, Dexter Online School is a project of Dexter private school located in Wichita Falls, Texas. According to the school, in response to the coronavirus and “the millions of out of school students across the world,” the “online program is meant to help students continue learning during school closures. . . .”

**There are lots of different learning choices for homeschoolers today, including online learning, which has become extremely important during this crisis.**

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Specifically, students can access “online curriculum, live-streamed lectures via Twitch, peer grading, course leaderboards, social forums, and peer to peer messaging,” while parents “have access to a parent portal to keep track of student progress and receive weekly progress reports via email.”

“Homeschool families across the United States are demanding more rigorous curriculum, better online tools, and safe community learning spaces”, says Dexter head Michael Olaya. “This competitive pressure has led to the creation of categorically new types of schooling that are driving quality up and costs down.”

He predicts, “We’re about to cross the affordability chasm where most American families will finally be able to opt-out of the broken government school system.”

Indeed, as parents consider the many homeschooling resources available in the marketplace, Sarah Bailey warns “don’t just public-school at home.”



“That is hard to do because it is all we know,” she says, so parents should educate themselves by reading up on homeschooling “to see what speaks to you, and then educate your children.”

Bailey advises patience: “Don’t stress too much and enjoy your time with your child. You are in this for the long run not the sprint, so set a nice pace and don’t worry what everyone else thinks.”

Current homeschooling parents “stumbled, failed at things, and had some breakdowns along the way,” but patience will pay off.

“Many homeschoolers are outperforming their peers in academics and are more socially secure than their public school peers,” observes Bailey. “You won’t close any doors to your child’s future by homeschooling, and, in fact, you will free them to become who they want to be.”

And what about the future of homeschooling after the coronavirus crisis subsides?

“Most parents that homeschool never planned on homeschooling,” says Bailey, and points out “we switched over because the public school system wasn’t working for our families.”

With more parents exposed to homeschooling because of the coronavirus crisis, Bailey predicts: “I think we will see homeschooling continue to grow in America as long as our schools keep teaching things that parents don’t agree with and school violence continues to rise. There is so much more support for homeschooling now and people are seeing the benefits.”

To new homeschooling parents, Bailey emphasizes, “You will never regret spending time with your children.”

As parents realize that it is possible to educate their children without the conventional public schools, American education may never be the same.

*Lance Izumi is senior director of the Center for Education at the Pacific Research Institute. He is the author of the 2019 book Choosing Diversity: How Charter Schools Promote Diverse Learning Models and Meet the Diverse Needs of Parents and Children.*

## PRI Celebrates National School Choice Week at the State Capitol




In January, PRI marked National School Choice Week with panel discussion on the future of school choice in California at the State Capitol in Sacramento. A bipartisan crowd heard Larry Sand (top) of the California Teachers Empowerment Network and Assemblyman Kevin Kiley (bottom) discuss recent legislation that could impact school choice and reform ideas to expand choice options for parents and students.

A decorative graphic at the top of the page features several yellow light bulbs hanging from black cords against a light gray background. The bulbs are arranged in a staggered pattern, with some fully visible and others partially cut off by the edges of the frame.

**Reforming State  
Energy Mandates  
Would Help  
Californians Save Big  
During Tough  
Economic Times**





**M**illions are now unemployed or furloughed as a result of the COVID-19-fueled economic downturn. Californians are looking to state policymakers for action to help them weather this economic storm.

A new study by Dr. Wayne Winegarden, *Legislating Energy Prosperity*, suggests that reducing the unnecessary costs imposed by Sacramento's energy mandates would be a great place to start. *Legislating Energy Prosperity* is a joint project of PRI and Power the Future.

The study found that even during these unprecedented economic times, Californians could save more than \$2,000 annually in lower energy costs if the Legislature and the Governor reformed these laws and instead embraced a free-market energy agenda.

*Legislating Energy Prosperity* also found that states like Ohio and West Virginia that have embraced market-based energy policies have been more effective than California in reducing emissions. Since 2007, emissions have fallen 14 percent nationwide versus 9.3 percent in California.

Embracing market-based energy reforms would be the equivalent of providing a major tax cut for hard-working Californians. This would put real

money into the pockets of those who are struggling to make ends meet—while still enabling the state to achieve its lower emissions goals.

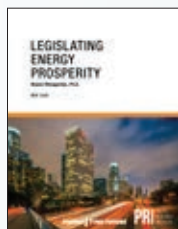
Specifically, Californians could see:

**Lower Gas Prices:** Before the COVID-19 pandemic, California drivers paid a 37 percent premium for gasoline versus the national average. With the collapse in gas prices, state drivers paid 55 percent more versus the national average (as of April 24). Easing these mandates could, over time and depending on consumption, save Californians up to \$9.6 billion annually (based on 2019 prices) or up to \$11 billion (based on April 24 prices).

**Lower Electricity Prices:** California energy mandates have, as of 2018, driven up residential electricity prices by 46 percent versus the national average, and business electricity prices by 69 percent. Eliminating inefficiencies could generate annual average savings between \$5.3 billion and \$15.7 billion, depending on the scenario.

**Increased Economic Growth:** Lower energy prices could bring a badly-needed boost to the economy and generate new job opportunities and tax revenues amidst a deep recession and severe state and local budget crises. Eliminating these excessive costs could increase average annual real state GDP growth by up to 3.3 percent. Over 10 years, this could increase the size of California's economy, adjusted for inflation, by up to \$223.4 billion.

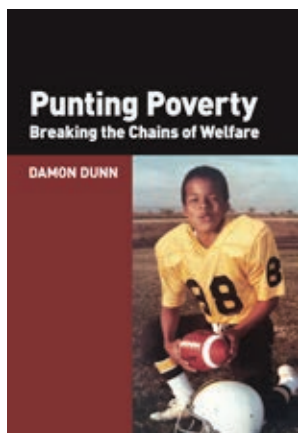
Download the  
study at  
[pacificresearch.org](https://pacificresearch.org)



# PRI SUMMER BOOK PREVIEW

Looking for a good book to read? PRI has your summer reading list covered for you, with the release of three books exploring some of the major issues shaping the public policy debate in California—universal basic income, school choice, and the state’s water future.

## *Punting Poverty: Breaking the Chains of Welfare* by Damon Dunn



In his powerful new book *Punting Poverty*, former collegiate and pro football player turned successful entrepreneur Damon Dunn speaks out against universal basic income schemes that would send between \$500 and \$1,000 per month to all Americans, calling basic income “fool’s gold that does not even attempt to offer economic empowerment.”

Dunn overcame extreme poverty in his youth to attend Stanford University on a football scholarship, later playing football in the NFL and in Europe before founding his own successful business and also contributing to public policy as a fellow at the Pacific Research Institute and previously at the Hoover Institution.

Dunn challenges the push by Speaker Pelosi, Andrew Yang, and other liberal voices to create a universal basic income scheme as a response to rising income inequality and the recession fueled by the COVID-19 crisis, writing:

“Universal Basic Income would not have done anything more to help move my family out of poverty. Giving my grandparents \$500 per month would not have led to socioeconomic mobility or closed the income gap. It would not have enabled us to make a down payment to buy a home, move our family into a better neighborhood with better schools, or pay for college.”

Instead of creating another expensive government welfare program, Dunn proposes what he calls “skills-based economics”—helping every student to achieve at least an Associate’s Degree or a good vocational education geared toward meeting the demands of the workforce.



## *Winning the Water Wars* by Steven Greenhut



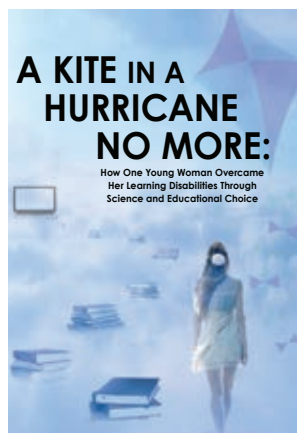
Longtime journalist and R Street Institute western region director Steven Greenhut writes in his new book *Winning the Water Wars* that California can end its decades-long battles over water and meet the needs of its current and future population by promoting abundance rather than managing scarcity.

Greenhut writes, “the goal of this book is to highlight the core problem: a state water policy that is more focused on boosting fish populations and which uses water availability as a means to limit growth and force changes in the way we live.”

Noting that state water policy is intertwined with the history of California, Greenhut provides readers with a rich history, geography and background information to guide readers through how we arrived at our current predicament—accompanied by dozens of beautiful photos of California’s rivers, lakes, streams, and water infrastructure installations, many taken by the author himself.

He then explores many of the different ideas for creating more water supply, including increasing surface storage capacity, building desalination plants, and expanding wastewater recycling. Finally, he outlines policy reform ideas to responsibly shape California’s water future, including free-market ideas to improve water supply such as a more accurate water-pricing system that would facilitate water transfers and trading. The book also features a foreword written by Steve Forbes.

## *A Kite in a Hurricane No More* by Lance Izumi and Mia Giordano



In this compelling new book, Lance Izumi shares the journey of a young woman who overcame her learning disabilities through science and school choice.

Through Mia Giordano’s first-person accounts, readers are taken through the difficulties of her learning experiences in public and private schools, homeschooling, and a charter high school. Ultimately, school choice was the key to Mia’s academic success, and has been for many other students.

*A Kite in a Hurricane No More* also takes readers on a journey into the world of science to show how the brain is actually changeable and ever changing. However, policymakers and school officials often rely upon status quo thinking on learning disabilities that fail to take account of new research and has failed to adapt to help students like Mia who suffer with such disabilities. The book

profiles proven learning programs like the Arrowsmith Program that incorporate the latest research into their curriculum and are helping students like Mia achieve their dreams.

“Conventional schools could not address Mia’s problems effectively but the ability of her parents to choose a non-conventional education option that met her needs resulted in a life-changing metamorphosis for Mia that holds lessons for policymakers, parents, and the public alike,” Izumi writes.

**Purchase any or all of these books at [Amazon.com](https://www.amazon.com)  
or your favorite online bookseller**

# IS THERE ANY WAY TO ESCAPE PUNISHMENT OF AB5?

By Kerry Jackson

Originally published in *Chico Enterprise-Record*

**G**overnor Gavin Newsom continues to refuse to do anything about Assembly Bill 5, a law likely to kill more jobs than any public policy enacted in California's history. What will it take for him to act?

Assembly Bill 5, passed and signed into law last year, virtually outlaws independent contract and freelance work in the state. It establishes who can legally work on a contractual basis, and who must be a hired employee. The bar is set so high that few freelancers can reach it.

AB5 is primarily aimed at gig economy companies, whose business models rely on independent contractors rather than hired workers. The stated objective was to stop those companies from "exploiting" workers and force them to provide the benefits typically handed out to employees.

But it was clearly a sop to organized labor. Union bosses see the 2 million or so independent contract workers in California as dollars in their pockets. They want to rope as many of them as possible into their trade syndicates.

It would be a mistake to believe that gig economy workers asked for the law. Aside from a few vocal protesters, most independent contractors and freelancers like their arrangements. The Bureau of Labor Statistics found that "79% of independent contractors preferred their arrangement over a traditional job."

Under normal circumstances, AB5 is a gross violation of worker freedom, a cruel law that for no good reason can stop people from earning income. Under the lockdown, it's the source of pure misery for many across the state.

Newsom says California's jobless rate will surpass 20% when the state unemployment rate is reported later this month and could climb higher later this year.

"Getting closer to 22, 23, 24, 25 (percent) is very likely," he said. This would be far worse than the 12.3% peak of October 2010, during what's been called the Great Recession. Since March 12, the state says, 4.3 million have applied for jobless benefits. The unemployment spike seen on the Federal Reserve Bank of St. Louis' chart has no precedent over nearly 45 years of data.





Many of the newly unemployed could relieve their financial stress by working as independent contractors and freelancers from their basements and spare bedrooms while living in lockdown. Taking gig jobs outside the home that are considered “essential” by Sacramento would be another option.

Those whose jobs won't be coming back after the state reopens would also benefit from freelance work. But they can't. AB5 forbids it. As one Twitter user put it, Californians are simply expected to “Shelter in Place' till you're so broke you starve to death.”

One would have to be willfully blind to miss the economic crisis that has overtaken us. Yet our political class is determined to prevent people from working. Rather than freeing the labor force, Sacramento and a coalition of city attorneys are instead using AB5 to sue Uber and Lyft, claiming the companies have misclassified their drivers as contract workers when they should be hired employees. Attorney General Xavier Becerra's reasoning—the state “has ground rules with rights and protections for workers and their employers”—must sound like a taunt to the millions of out-of-work Californians who feel exposed, not protected.

Our elected officials' priorities are truly perverse. While Becerra and the city attorneys are bent on punishing companies that have created hundreds of thousands of jobs in California that have flexible hours and schedules, Newsom is promising to find funding to enforce AB5, even as the state's budget deficit reaches \$54 billion.

Newsom could set aside AB5 until the economy stabilizes. If he has the power to shut down much of the California economy, then he also has the authority to temporarily halt AB5, possibly the most malicious and harmful law ever passed in California. Yet he refuses, even as the economic wreckage piles up and financial ruin is the only future many can see. Newsom and other state officials would be wise to listen to Assemblyman James Gallagher and other lawmakers who've detailed the real pain felt by AB5 thus far.

To his credit, Newsom waived occupational licensing requirements in early March, allowing medical facilities to increase staffing to handle the wave of coronavirus patients that was expected to overwhelm health care providers. He's also given small businesses some needed administrative relief. Is setting aside AB5 that much more of a step?

Evidently so. But the governor might find he's made a mistake because unemployed Californians can still vote in legislative elections this fall. He should also remember they can vote with their feet, as well. Many will.

*Kerry Jackson is a fellow with the Center for California Reform at the Pacific Research Institute.*



## Entrepreneurship Key for America's Economic Recovery

PRI's new web video makes the case that by eliminating government-created barriers to opportunity, state and federal lawmakers can make it easier for those who are suddenly unemployed to earn a living from home or start a new home-based business.

**Watch the video at**  
**[www.youtube.com/PacificResearch1](http://www.youtube.com/PacificResearch1)**