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INTRODUCTION

Joke All You Want about California—but the Mounting Problems Are No Laughing Matter

By Bill Whalen

To know California is to appreciate America's nation-state as grist for comedians' mills.

Jack Benny's radio show liked to titillate audiences with city names (an announcer would declare, "Train now leaving on five for Anaheim, Azusa, and Cuc . . . amonga").

Johnny Carson, in his Art Fern character, also reveled in state geography: "You take the San Diego Freeway to the Ventura Freeway. You drive to the Slauson Cutoff, get out of your car, cut off your Slauson, get back in your car, then you drive six miles 'til you see the giant neon vice-squad cop."

Then there was Fred Allen, a faux rival of Benny's in the golden age of radio and no fan of Hollywood pretense, who had this to say about the Golden State: "California's a wonderful place to live—if you happen to be an orange."

Then again, worse things have been said. Saul Bellow, arguably one of the great novelists of the twentieth century, once opined, "California's like an artificial limb the rest of the country doesn't really need."

Obviously, not all West Coasters share Mr. Bellow's sentiment. As the nation prepares for an upcoming census, California's population is closing in on fourty million residents (39.25 million, at last count)—nearly seven times greater than in the 1930s, when Fred Allen first captured the nation's attention, and double the population in 1964, when the success of the largely autobiographical *Herzog* made Bellow a literary giant.

Still, Fred Allen has a point. Like a citrus crop, California has a fragile existence and a complicated one.

The recent wildfires in Northern California underscore the point. It's not that California is unaccustomed to portions of the state engulfed in smoke and flames (indeed, it's something of a regular occurrence in the Southland, given the notorious Santa Ana winds).

What stood out during the tragic events in California's Wine Country was a confluence of problematic factors. It turns out that a state blessed by ample rainfall last winter that produced a verdant landscape gave way to a blistering hot summer that created a tinderbox.

A fire whose scope was six times the size of San Francisco and larger than San Jose and Oakland combined might have been easier to dismiss were it in an uninhabited location. But this was Sonoma and Napa Counties, where Californians pay good money for luxury getaways—or to find a comfortable middle-class existence.

The prediction here is that the inherent conflict between a growing population and its strain on the state's natural resources and beauty—an available supply of water, open space for communities, balancing development with environmental safeguards—will be a recurring theme for the foreseeable future.

TABLE OF CONTENTS

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As we close out 2017 and look to what will be a colorful year in California—some high-profile political races and the ongoing feud between the state's Democratic leaders and the Republican president back in Washington—it's the contrast of the California existence that stands out.

- Despite passing the most ambitious housing package at the tail end of the legislative session in Sacramento, the state remains billions of dollars shy of the money needed to finance new homes for the neediest Californians.
- Despite enacting an increase in the state gasoline tax, can California adequately address a backlog of needed road repairs that have been a horror for state motorists but a boon for the auto repair sector (on a related note, is taxing gasoline cutting edge when fuel efficiency and electric vehicles are on the rise)?
- As for wealth, California stands for plenty of dollars and very little sense. According to this study the Golden State is home to 832,849 millionaire households. That's nearly 60 percent more than second-place Texas. Meanwhile, the US Census Bureau reported in October that one in five Californians is living in poverty; since 2014, the number of homeless children in California has jumped 20 percent. Sharing the wealth? Hardly.
- Finally, California's outré political existence: the Golden State as America's big blue outlier. Nationwide, Republicans control all three "levers" of government (governor, two legislative chambers) in twenty-six states. But not so in California, where Democrats have supermajority control of the state legislature and seem assured of retaining Jerry Brown's seat when he retires after the 2018 election.

In this edition of *Eureka*, we focus not on one but a series of topics that our authors have deemed noteworthy as we take a long view of where California stands near the end of what's been a volatile year physically and emotionally in the Golden State.

That includes

- Michael Boskin, a Hoover Institution senior fellow and the T. M. Friedman Professor of Economics at Stanford University, laments a lack of courageous leadership in Sacramento that's neglecting California's economic needs.
- Victor Davis Hanson, the Martin and Illie Anderson Senior Fellow at Hoover and a classic and military historian, poses a Thucydidean question in asking where the immigration debate is taking the state and the nation.
- Joel Fox, copublisher of the *Fox and Hounds Daily* political website and lecturer at Pepperdine University's Graduate School of Public Policy, frets that California is headed "back to the future" with bad tax and criminal justice approaches.
- Greg Lucas, since 2014 the state librarian of California, looks at longevity and opportunities: instead of fearing the coming "silver tsunami," the Golden State should take advantage of an industrious aging population.

We hope you enjoy this latest installment of *Eureka* and that it gets you thinking about where California stands and whether we're moving in the right direction.

Bill Whalen is a Hoover Institution research fellow, primarily studying California's political trends. From 1995 to 1999, Bill served as chief speechwriter and director of public affairs for former California governor Pete Wilson.

FEATURED COMMENTARY

California Dreamin': Of Bolder Leaders Unafraid to Challenge the Vested Interests Running the Golden State—and Ruining Its Future

By Michael J. Boskin

Californians long led an idyllic version of the American Dream: lots of sunshine, jobs, upward mobility, home and automobile ownership, inviting ample space, and tremendous mobility. Long a harbinger of national trends and an incubator of innovation, the Golden State used to be home to steadily rising standards of living, outstanding public schools and universities, and enviable infrastructure.

But then something went radically wrong: California legislatures and governors built a welfare state of high tax rates, liberal entitlement benefits, and excessive regulation. That backfired into results far worse than just a parody of a progressive utopia. Rather than the European-style green socioeconomic equality fantasized by California's coastal liberal elites, for most Californians it has Europe's relative economic stagnation and is heading toward South America's inequality.

For the past three decades California has experienced excessive swings in its economy and financial fortunes that are far worse than in other states. From the mid- 1980s to mid-2000s (both in the middle of economic expansions), California's population grew by ten million. But the number of income tax payers rose by just 150,000. Meanwhile the prison population soared, and MediCal (the state's Medicaid program) recipients rose by seven million in this pre-Obamacare Medicaid expansion period. From the mid-2000s to the middle of the current decade, the population grew by about 3.5 million, and the number on assistance programs grew apace. With 12 percent of the nation's population, California has almost a third of America's welfare recipients. California's fourteen million MediCal recipients by themselves would constitute the fifth most populous state in the nation.

Under the Census Bureau's most accurate measure, more than one in five Californians lives in poverty, by far the highest of any state; shockingly, California's rate is 41 percent higher than Alabama, 49 percent higher than South Carolina, and 28 percent higher than even higher-cost-of-living New York. But it is not only a problem of the lower tail of the income distribution; middle-income Californians are struggling too. Surprisingly, median household income, when adjusted for household size and cost of living, is *below* the national average! While down considerably from the recession peak, currently only five states have a higher unemployment rate. More startling still, despite the remarkable technology and entertainment wealth, real disposable income per capita, what Californians on average have available to spend on all their family needs and save for their and their children's future, is tenth poorest of any state.

Partly due to generous union wages and benefits, inflexible work rules, and special-interest lobbying, many state programs spend too much while achieving too little. For example, the Legislative Analyst puts annual spending per each of California's 120,000 prison inmates (8,000 housed out of state) at $71,000, more than twice the national average and far above the income of a middle-income family or a year of attending Harvard. Many of California's K–12 public schools rank poorly on standardized tests. The infrastructure has not kept up with population growth or even needed maintenance. Unfunded pension liabilities of workers in the state's CalPERS system run to several hundred billion dollars.

Last year, California's voters approved a "temporary" twelve-year extension (Proposition 55) of the "temporary" seven year tax hike approved by voters in the November 2012 election, enforced retroactively to the start of that year. It raised the top marginal state income tax rate to 13.3 percent, the highest in the nation. The original "temporary" tax hike was allegedly to help the state's emergency funding needs, a rationale that doesn't apply to the new extension. As the great economist Milton Friedman quipped, "There is nothing so permanent as a temporary government program."

Worse yet, the House Ways and Means Committee federal tax reform proposal circulating in Washington eliminates the deduction for state income taxes. That would drive up the effective top rate on Californians by two-thirds, from 8 percent netting federal deductibility to the full 13.3 percent. If it becomes law as is, with the top tax rate unchanged and elimination of the deduction, California would become more expensive for its high-income citizens, aggravating an exodus.

California's spending is financed by what my Hoover colleague John Cogan and I have previously called "casino budgeting," as it relies heavily on upper-income taxpayers, especially their highly volatile stock options and capital gains, which are taxed as ordinary income. During economic booms and bull markets, revenue flows in at astounding rates; half of all income tax revenue comes from the top 1 percent. This extreme progressivity feeds the welfare state in good times but has a damaging downside. Periods of rapidly rising revenues are followed by complete collapse, as the capital gains and stock options of the top 1 percent plunge. For example, in the 2009 recession, gross state product (the state equivalent of a nation's GDP) fell 3.7 percent, but revenue plummeted 23 percent and the top 1 percent income share declined from 48 percent to 37 percent. But because the revenues are all spent—and often even more committed—on the upswing, disruptive emergency cutbacks, often in services for our most vulnerable citizens, are inevitable on the way down. Also victimized are counties and towns, which are asked to shoulder increased responsibilities without accompanying resources. A court-ordered reduction in the state's prison population, for example, wound up shipping inmates to local jails. The state's progressive tax-and-spend culture episodically starves vital services, from courts and parks to education and health care. The state desperately needs a less volatile revenue model, such as that suggested eight years ago in this report from the bipartisan Commission on the Twenty-First-Century Economy, of which Cogan and I were members.

The time to prepare for the next downturn is *during* the boom, not *after* it ends, turning dreams into nightmares. California needs a less volatile, more prudent tax structure with lower rates on a broader base of economic activity and people (almost half of all Californians pay no income tax). Inefficient state programs must be reformed to produce far better outcomes while spending less. Infrastructure spending should be redirected to maintaining and upgrading roads and ports, not giant new boondoggles.

Although the water infrastructure needs upgraded storage and transport capacity, far greater reliance on water markets to efficiently allocate water to its most productive uses is the top priority and would reduce the needed additional spending. The governor's twin Delta Tunnel plan, which he is trying to pressure the state's water districts to support and pay for with rate increases, is an expensive way to deal with the problem of saving a tiny fish, the delta smelt, protection of which has had the state diverting desperately needed freshwater into San Francisco Bay and the Pacific Ocean, even during the drought. Unfortunately, the governor's plan, despite good intentions, does not add needed water. The plan is in deep trouble after the Westlands Water District, the largest agriculture water district in the state, and the Santa Clara Valley Water District, the largest in Silicon Valley, overwhelmingly voted not to participate. Worse yet, California's state auditor ripped repeated "significant cost increases and delays" and the failure to complete "either an economic or financial analysis to demonstrate the financial viability of the project."

Californians have supported more education spending in the past on the assumption it would improve education outcomes.

Unfortunately it has not.

The state sadly has an elementary and secondary school system that ranks in the bottom fifth in math and reading scores. Of public school students tested in the California Assessment of Student Progress and Achievement only 37 percent in math and 48 percent in English scored as on track to be prepared for college after graduation. In Los Angeles Unified, the state's largest district, the scores were even worse, 28 percent and 39 percent. Tragically, for African American children the scores were 18 percent and 31 percent. The high school dropout rate has soared relative to the national average, especially for African Americans and Hispanics. Not surprisingly, the best evidence, from the reforms in Newark funded by Facebook founder Mark Zuckerberg, reveals that improving student performance is best achieved by them migrating from low-performing to better-performing schools and also shutting the bad schools. The June 2014 *Vergara* decision lent a ray of hope that California students trapped in underperforming schools, sometimes with poor teachers, might get relief from rigid tenure rules. But the decision was overturned in April 2016 by California's liberal appellate court, with backing from Governor Brown and then attorney general (now senator) Kamala Harris, despite polls showing a majority of Californians favor greater school choice for children in underperforming schools.

The state needs greater efficiency from its huge highly rated, higher education system. Too many students, for example, take five, even six, years to earn a bachelor's degree if at all. Among the reasons are that there is no space in needed classes. So why doesn't the state wheel education units like it wheels electricity on the grid? If a student can't get a needed class at San Francisco State, allow him or her to take it at nearby San Jose State. Provide better bridging from less expensive community colleges to the California State University or University of California system. For example, provide updated information online to high school and community college students about how to map specific community college courses into specific course requirements, by major, at the four-year schools. Make better use of online education. Improve vocational education in the community colleges, especially in areas with lots of real job openings, rather than try to push an ever-higher percentage of students into four-year colleges, assuming large debt, many majoring in subjects unlikely to lead to successful careers. The American Association of Community Colleges Pathways Pilot project in which three California Community Colleges (Bakersfield, Irvine Valley, Mt. San Antonio) participated and which a state pilot program for 20 Community Colleges is being launched through 2019 offers a potential guide.

Governor Jerry Brown, next year ending his second two-term stint in Sacramento, will leave a mixed legacy to his successor. Brown's policies are more nuanced than is typical of liberal tax-and-spend governors in blue states. He insists on mandating that 50 percent of California's electricity come from renewable resources such as solar and wind by 2030. His zero-emission vehicle plan demands 1.5 million electric vehicles on the road by 2025, despite the greater cost and dubious net environmental improvements when accounting for the full cost of production, electricity generation, and battery disposal. But so far, and unlike New York governor Andrew Cuomo, Brown has refused to ban fracking in California, much to the dismay of local environmentalists. With a revenue boom from the economic recovery and bull stock market, Brown insisted on dedicating a small portion to the state's rainy day fund, but it is still only two-thirds of the targeted 10 percent of revenue, far too small to buffer the state's finances in a deep recession, and needs to be better protected from raids by the legislature to fund pet programs. And he courageously vetoed a bill to codify controversial Obama-era policies, under threat of losing state funds, on campus sexual assault that were widely considered an abridgment of due process for accused students.

Brown's biggest achievement in his second run as California's governor (he also managed the state from 1975 to 1983, succeeding Ronald Reagan) is presiding over a budget that moved from a large cash deficit to a cash surplus. The main engine was a surge in revenue from the economic recovery and stock boom and the "temporary" tax hike (2012's Proposition 30).

Brown, to his credit, has somewhat restrained a California Democratic Party that dominates the state legislature from still higher spending. He has also wisely avoided being overly optimistic in the economic and budget outlook he presents every January in his proposed budget and every May in his budget revision. But unfortunately Brown has not proposed using the temporary budget breathing room to push for a broader tax base, lower rates, and less reliance on an income tax that now accounts for almost 70 percent of general fund revenue, up from 10 percent in 1950.

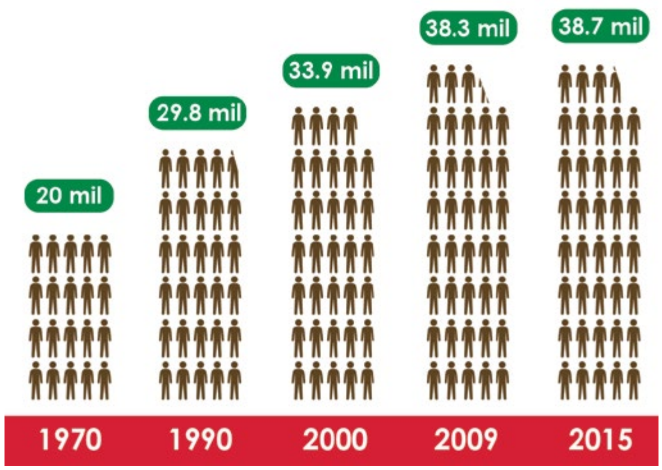
Brown *has* nibbled around the state's structural budget crisis. A Stanford study estimates the unfunded pension liabilities in the state's CalPERS system in the $800 billion range. It is increasing by $15–20 billion a year. This means the state's small cash surplus is, in reality, a whopping deficit. I can attest, based on personal conversations, that Brown is more than aware of these problems. He once even quipped: "It's not even a matter of higher math. It's fifth-grade arithmetic."

Unfortunately Brown's mostly sensible pension reforms are too small to matter much, and even these are being challenged by public unions in the courts. Almost all affect only new state employees and will have little impact for decades. To deal with the analogous deficit in funding teacher pensions, California's governor shifted most of the cost to local school districts. Unfortunately this will crowd out teacher hiring, school construction, and equipment. Although he inherited them, Brown is presiding over the most rapid expansion of unfunded liabilities in state history.

In a private business such cost pressures would lead to major attempts to enhance efficiency, yet there is no serious Brown reform agenda. But Governor Brown has taken every opportunity to push forward his signature initiative: a high-speed rail system connecting Los Angeles and San Francisco. Originally voters approved a $9 billion state bond issue out of a projected total $33 billion cost (2008's Proposition 1A), the balance supposedly from federal and private funds. The projected cost has now doubled to $68 billion and will use substantial existing rail, thereby slowing the speed considerably. So call it "blended" speed rail. Little private funding or federal revenue appears on the horizon, so Brown has raided the state's cap-and-trade carbon pricing to permit auction revenue, ostensibly devoted to environmental improvements, to keep alive what is likely to become the biggest white elephant in California's history. Drilling delays, cost overruns, and seismic problems in the earthquake-prone mountains north of Los Angeles, some never even mapped, do not augur well.

California has become a one-party state with the Democrats enjoying supermajorities in the assembly and the senate, as well as the governorship and all other statewide offices (Democrats control all three levers of government in only six states: California, Connecticut, Delaware, Hawaii, Oregon, and Rhode Island). Recent attempts to moderate this near absolute one-party power, such as changing the primary system to a "top two regardless of party advance to the general election," were expected to elect more moderate Democrats. Thus far, however, there have been only slight constraints on the party leaders and thus policy.

The power in Sacramento of the public employee unions, trial lawyers, and extreme environmentalists is difficult to overestimate. Some indication can be inferred, for example, given the legislature recently had the gall to consider a bill that would make it illegal for California's local governments and agencies to produce cost estimates and financial projections during often months-long labor negotiations. Local officials should apparently be expected to sign on to an agreement without knowing the future financial implications! That's one of the reasons for the immense pension shortfall beginning to force bankruptcy on some of California's towns and cities. Another bill would have made it illegal for cities, towns, and agencies to contract with private companies to provide services. That would virtually require them to hire more government workers and therefore public employees' union dues-paying members. Again the cost to taxpayers in the many financially strapped California towns and cities be damned.



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https://www.thoughtco.com/california-population-overview-1435260

FACTS ON THE ISSUE ☑

It would be wonderful if Governor Brown used his final year in office to deal more forcefully with the state's huge problems, but no one expects him to do so. The three Democrats vying for the right to succeed Brown—Lieutenant Governor Gavin Newsom, former Los Angeles mayor Antonio Villaraigosa, State Treasurer John Chiang—have mostly been raising money with attacks on President Trump, whose approval ratings in the state are well below the national average. The governor and legislature declared California a "sanctuary state," although the bill appears to be more symbolic than substantive.

There should be opportunities for the state to work with the Trump administration, for example, on badly needed infrastructure. The state's roads, ports, dams, and water transport systems are in a sorry state of repair and in desperate need of too-long-deferred maintenance. Studies show the largest return on infrastructure projects to be on maintenance and repairs. For example, the Oroville Dam fiasco that caused almost 200,000 people to evacuate their homes was recently shown to have been easily foreseeable if routine inspections had been done during the last few decades. The Los Angeles–San Diego corridor and the San Francisco Bay Area suffer extreme traffic congestion yet there has been little experimentation with congestion pricing. Worse yet, the Sacramento social engineers try to force carpooling with high occupancy vehicle lanes that are underutilized, have 20 percent less capacity than if part of the multi-lane system, do not increase carpooling measurably, and do not reduce congestion.

California still ranks first in technology, agriculture, entertainment, and higher education. It has more of the world's leading universities than any other state and more even than any country, save perhaps the United Kingdom. But it is near the bottom in business and tax climate and state bond ratings, on which only Illinois and New Jersey are lower. Beyond the remarkable concentration of technology behemoths, such as Apple, Facebook, Google, and Oracle in Silicon Valley, are struggling small businesses, middle-class stagnation, a manufacturing exodus, and an unfulfilled dream. Technology investors, some of their workers, and the state's highly subsidized green energy producers and public employees are the exception at the expense of the rest of the population.

No one should write off California—even in the next downturn, the financial effects of which are likely to be worse in the Golden State than elsewhere, given the volatile tax structure. It still has great strengths and it can turn, and should be working on turning, some of its short-run challenges and hot button immigration issues, resulting from ethnic and linguistic diversity (more than half of the state's population is of Hispanic or Asian heritage), into longer-term strengths in the global economy.

Continuing down the path of pumping more spending into poorly targeted, inefficient and ineffective programs, ever-higher taxes, added regulation, and exploding borrowing will eventually exact a very high price on Californians. The sooner meaningful reforms in these policies are implemented, the more modest and gradual they can be, and the more likely the state can avoid a debilitating crisis.

From a more efficient, stable tax system to relief from regulatory overreach, from prudent gradual pension reform to more effective, better targeted spending, from investing in the nuts and bolts of improved infrastructure rather than ill-conceived costly mega-projects likely to fail, from reforming education so funds produce better outcomes to more open, transparent, and competitive government, there is much to do to build a better California. I believe that certainly can, indeed must, be done. But it will take bolder leadership, unafraid to speak the truth and challenge the deeply entrenched vested interests in Sacramento now running California and ruining its future.

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CalNotes:

TAXING CALIFORNIA'S PATIENCE

One of the more ignominious moments of late in Sacramento: the fate of Gov. Schwarzenegger's Commission on the Twenty-First-Century Economy, a fourteen-member bipartisan group that included input from Hoover economists. The commission's report, trotted out in September 2009 and meant to be phased in beginning in 2012, aimed to curb California's overreliance on personal income taxes, eliminate the corporate tax, and establish new business receipts. But the proposal was treated as dead on arrival by California's Democratic-controlled legislature. Tax reform fell by the wayside and has not been reconsidered since. The last time California's elected leaders offered rate relief? That would be twenty years ago this year, when a GOP governor and Democratic legislators addressed personal, corporate, and property taxes. To the list of life's certainties in California, add death, taxes, and no movement on cutting taxes.

California, the Rhetoric of Illegal Immigration, and the Perils of Ignoring Thucydides's Warning

By Victor Davis Hanson

Vocabulary changes always reflect the agendas of a political debate.

The fight over illegal immigration plays out by altering words and their meanings. Take the traditional rubric "illegal alien." The English has been clear and exact for nearly a century: illegal alien (cf. Latin *alienus*) was a descriptive term for any foreigner who crossed the US border without coming through customs to obtain proper legal sanction.

“Illegal alien,” then, was a politically neutral, exact, and descriptive term: one used by both the Supreme Court and the Internal Revenue Service.

But open-borders advocates did not like the adjective and noun because they accurately emphasized both illegality and the foreignness of those arriving into the United States from another country.

What followed was a slow Orwellian devolution. “Illegal alien” initially was reinvented as “undocumented alien,” as if the violation became one of simply forgetting (rather than never having) one’s supposed legal documents at home. But the noun “alien” still implied arrivals were somehow separate from US citizens by virtue of their illegal resident status. So next the noun changed to “immigrant,” as if “undocumented immigrant” gave the impression that forgetful visitors had just strayed innocently across the border.

But why need a discriminating adjective at all?

So a mere “immigrant” has sometimes replaced an “undocumented immigrant,” as if there were now no real difference between coming into the United States legally or illegally. Being against illegal immigration was now seen as being against lawful immigration itself.

Finally, why prejudice the immigrant by suggesting that he or she came from another place *into* the United States—as if this individual were some sort of intruder who thought America was somehow preferable to Yucatan or Guatemala?

As a result, “migrant’ is now used without any in-or ex-prefix denoting direction: eleven to fifteen million illegal immigrants were perhaps just migrants who often came and went in both nonjudgmental directions in the manner of other travelers.

The deliberate inference is that the impediments of laws, borders, and walls were unnatural and illegal, not the travelers themselves who passed to and fro between. The fault then belongs to the host, who wrongly felt that his home was his own and guests subject to his invitation.

The vocabulary of illegal immigration has made other adjustments to suggest that it has little to do with supposedly outdated federal immigration law.

What does “sanctuary city” really imply other than a place where advocates of illegal immigration ignore and override federal law to allow illegal aliens to reside, often in violation of the local, state, and federal law?

Such no-go sanctuary zones are supposed to channel the idea of religious and political sanctuaries in time, of civil war. “Sanctuary’ suggests that bad people chase good people into safe places like churches or monasteries, where even over-zealous law enforcement cannot force their noble guardians to seize them. The intent is to invoke something sympathetic and romantic, like Victor Hugo’s *The Hunchback of Notre Dame* and the sanctuary provided to the hounded Esmeralda by the famous Gothic cathedral, as agents of the state close in on her.

Yet a more honest description of sanctuary cities like San Francisco and Los Angeles would be “secessionist cities.” They are, after all, defiant states’ rights enclaves that argue, in Confederate fashion, that the federal government and our Constitution ultimately have no power over their states’ rights pushback. They recall the insurrectionary manner in which South Carolina in 1861 defiantly declared that federal laws within its borders were null and void and so helped set off the Civil War.

An equally accurate description would be “amnesty cities,” places where the consequences of breaking federal immigration law—as well as other criminal statues—were ignored (but only in the case of illegal immigrants).

A sanctuary city like San Francisco or a sanctuary state like California does not believe that the principles of exemption should be extended to any other federal laws or to local or state jurisdictions other than their own.

Certainly Bay Area liberals would have a fit if Oklahoma City residents declared that federal gun registration rules did not apply inside their city and thus one could buy and carry a .45 pistol off the shelf. Californians would go ballistic should the entire state of Utah declare dozens of Byzantine workplace statutes to be null and void within its state borders.

“Dreamers” is another linguistic contortion that increasingly and by design does not reflect reality.

Originally the Deferred Action for Childhood Arrivals (DACA) act was an executive order—most likely unconstitutional and illegal—issued by former president Barack Obama to exempt foreign national minors who were brought by their parents illegally into the United States from federal immigration law enforcement.

Previously Obama, at least until his reelection bid in 2012, on several occasions had reemphasized that he had no such executive power to override federal law. Indeed, he reminded Latino activist groups that tragically he could not by fiat (“I am not a king”) nullify a federal law.

Note that in 2009, when Obama enjoyed a supermajority in the Senate and a Democratic House, he also had chosen *not* to ram through legislative amnesties in the manner that he successfully would do with the Affordable Care Act.

Yet four years later, when Obama wished to galvanize his base of minority voters, he did what he previously said he could not legally do and issued amnesties for what were now called "Dreamers."

The term was meant to be limited to children and preteens brought by their parents unknowingly and illegally, in most cases from Latin America and Mexico, and who had subsequently grown up not knowing any other country than the United States. Yet "Dreamers" soon became an ethical rather than legal term, implying that all such minors were on their way to becoming successful Americans and thus had worked hard, gone to college, and would become exemplary Americans. Some of the Dreamers have done just that and, in any proposed immigration grand bargain, could, with conditions, be issued green cards to achieve legal residence.

But most Dreamers are now believed to be somewhere in their mid- or late twenties (the average age of a DACA recipient is twenty-five, the starting age for serving in Congress). They are hardly any longer unknowing children without access to legal counsel or knowledge of their ongoing illegal status.

Nor does anyone know the exact status of the estimated one to two million Dreamers who were included in the Obama DACA amnesty: How many have committed crimes, dropped out of school, gone onto public assistance, or simply just recently crossed the border in hopes of retroactively being classified as exempt Dreamers?

Apparently no federal agency wishes to find out. So in lieu of such data, we instead just utter the collective "Dreamers" and condemn anyone who would dare suggest that a particular Dreamer might have a criminal record or no work history.

The current overarching immigration enforcement agency, ICE (Immigration and Custom Enforcement), has linguistically superseded the old rubric "Border Patrol" and further diluted it with a division of US Customs and Border Protection—as if stopping illegal crossings is not necessarily connected to vigilant watching and constant patrolling along a clearly defined border but rather more a matter of monitoring commerce and vaguely protecting a border.

Apparently illegal immigration is no longer a simple question of breaking the law to cross the sovereign boundary of a foreign country but rather a technicality of not going through all the necessary and, apparently, discriminatory and mostly unnecessary documentary hoops. If there is a porous border, how could one literally patrol it? Thus the need for new terms arose for new hoped-for realities.

Anytime an idea or political agenda cannot achieve majority political support, its sponsors turn to euphemisms and linguistic gymnastics.

The historian Thucydides warned us 2,400 years ago during the horrific civil war on Corcyra how "words had to change their meanings" to mask the ill intent of particular unpopular political agendas. In George Orwell's two chilling novels *Animal Farm* and *1984*, the totalitarian state erodes the law by changing constantly the names of things as if language can remake reality.

In our age, we have witnessed how the Obama administration went to great lengths to downplay the threats of radical Islamic terrorism. Apparently he preferred new words that would not capture the reality that thousands of radical Muslims had terrorized innocent civilians. In fact terrorism during the Obama years became a man-caused disaster or workplace violence, as if there were either no human agency in the Tsarnaev brothers' bombings during the Boston Marathon or that Major Hasan yelled out "allakbar," as he mowed down thirteen of his fellow soldiers had little, if anything, to do with Hasan's Wahhabi extremism.

Under Obama the effort to combat radical Islamic terrorism became the bland overseas contingencies operation, as if Russians or Chinese were blowing up civilians with equal frequency. The point to such obfuscation was to deny that global terrorism was commonplace, that it was in our age largely committed by young male Muslims often living in or originally from the Middle East, that it was aimed largely at Western targets and their allies, and that it spread not because of Western culpability but due to grievances in the Islamic world against modernism in general and Westernization and globalization in particular.

Similar is the Orwellian effort to recalibrate through language illegal immigration.

The public does not approve of open borders. It wants immigration law enforced. It believes there is at least a minority of those who crossed the border illegally that have at some time broken more laws and have criminal records, have relied on public assistance, or did not find a job and thus should be deported.

Most people further believe that illegal immigration erodes the cherished idea of legal immigration, given that illegal immigration ignores the law, is non-meritocratic, and is becoming less and less diverse. In part open borders reflect a political desire to recalibrate the demography of the American Southwest and thereby empower the Democratic Party and its progressive operatives in government, universities, and the media.

In sum the apparent agenda is to keep the border open when the vast majority wishes it closed to illegal immigration. That disconnect requires that language makes the necessary adjustments so that migrants and Dreamers, not illegal aliens, just wandered or were mysteriously brought en masse into America without real borders, certainly not illegally and certainly not at the expense of legal applicants from dozens of foreign countries who wait for years for legal permission to enter the United States.

Victor Davis Hanson is the Martin and Illie Anderson Senior Fellow at the Hoover Institution; his focus is classics and military history. He is the author of *The Second World Wars: How the First Global Conflict Was Fought and Won*.

CalNotes:

SAN FRANCISCO HELPED ELECT TRUMP

Among the factors contributing to Donald Trump's improbable ride to the Oval Office were economic inertia, populist resentment, Hillary Clinton's tactical blunders, and a thirty-two-year-old woman, Kate Steinle, shot to death on a San Francisco pier in the summer of 2015, allegedly by an illegal alien who'd previously been deported. Steinle's death, just fifteen days after Trump's campaign kickoff, put a new and more human edge on his harsh immigration rhetoric (Trump called her "Beautiful Kate"). It also sparked a call for a national "Kate's Law" that Fox News' Bill O'Reilly championed would increase the penalties for deported aliens caught trying to reenter the United States. As for the Steinle family, which already has seen a wrongful death claim dismissed, the wheels of justice turn slowly: only last month did jury selection begin, with lawyers summoning the first of some thousand potential jurors to a San Francisco courthouse.

Jerry Brown Meets Doc Brown: Has California Gone "Back to the Future" on Taxes and Crime?

By Joel Fox

Despite changing demographics and a sharp veer to the ideological left, is it possible that California could take a political trip back to the future as two staples resurface that drove the state's politics in the more conservative 1980s and 1990s? Look around and you'll see indications that even in this liberal bastion on the left coast, the issues of taxes and crime are stirring again.

From the time when cinema's Doc Brown (Dr. Emmett L. Brown, ably played by Christopher Lloyd) was sending his flux-capacitor-equipped DeLorean back in time to today's California run by Jerry Brown—a past-and-future character if there ever was one—attitudes on the issues of taxes and crime seemed to have shifted dramatically.

Considering recent evidence, one might think that the tax issue has faded from the conscience of Californians, most of who, were not around when the state's voters kicked off a national tax revolt that helped propel Ronald Reagan to the presidency by overwhelmingly passing property-tax-cutting Proposition 13 in 1978.

In a *Wall Street Journal* piece from a year ago leading up to the 2016 election, I asked, "Nearly 40 years later, many Californians are wondering: Will the tax revolt mind-set die where it all began?"

After all a measure on the 2016 ballot (Proposition 55) extended the highest-in-the-nation income tax that voters put in place just four years previously; a cigarette tax passed, as did many local taxes and bonds.

This year's legislative session included a gas tax increase, the cap-and-trade extension, which many call a tax increase because it raises revenue for the government to spend, and a document tax to fund housing issues. This legislative session probably produced the most pro-tax successes since the 1935 legislature created both a state income tax and a vehicle license fee.

Yet all this tax activity may be driving voters to a tipping point to say enough!

The first indication is the California electorate's sour reaction to the gas tax. In a University of California–Berkeley Institute of Governmental Studies poll conducted after the gas tax increase became law, 58 percent opposed the gas tax, with 39 percent solidly opposed. The twelve-cent-a-gallon tax will not even be collected until November. The negative reaction to the tax seen in the poll likely will increase once the tax adds to the price of gasoline at the pump.

The test of new California resistance to taxes could well occur in November 2018. Two measures to repeal the tax have been filed. A gas tax repeal measure could rally Republican voters to the polls during the general election, especially if no Republican makes the runoff for either of the state's high-profile offices, governor and US senator. Since the state's Republican Party is said to be behind one of the repeal initiative proposals, polling shows that this is a powerful issue among voters. In addition a Southern California state senator, Democrat Josh Newman, is facing a recall effort centered on his gas tax vote.

The heated debate over extending cap-and-trade to reduce greenhouse gases centered on the additional costs that would be felt by California consumers. The word "tax" would have dominated in a word cloud image illustrating word use frequency during the cap-and-trade debate. Increased costs generated by cap-and-trade demands were labeled a hidden tax.

California citizens have yet to feel the additional costs that the cap-and-trade measure might add—anywhere from fifteen to seventy-three cents per gallon of gasoline over time, according to the state's legislative analyst.

If the gas tax repeal makes the ballot, an interesting political dynamic will play out in defense of the tax. A campaign to preserve the tax would likely have the greatest financial support. The tax was supported by both labor and big business. They argued that California's economy depends on improved transportation and updated roads and highways. Business also supported the cap-and-trade bill, fearing if it were defeated an unelected California Air Resources Board would put a tougher, command-and-control greenhouse gas restriction in place.

The individual voter who pays the freight of the gas tax increase, additional car fees, and increased costs linked to the cap-and-trade law, however, may want to use the gas tax repeal initiative to send a message.

A rejection of the gas tax increase would certainly be a marker that, as liberal as Californians have become, there is still a conservative streak when it comes to taxes, and a potent issue from the past could return.

Meanwhile there is the issue of crime—like taxes, also on the rise. A backlash is stirring to changes backed by criminal reform efforts in the legislature and on the ballot.

In response to a court order to reduce prison populations, Governor Jerry Brown championed AB 109 in 2011. Under so-called realignment, certain low-level offenders were moved to county jails from state prisons. In many instances, overwhelmed local jailers were forced to release prisoners from their jails to make room.

Along came two ballot measures, Proposition 47 in 2014 and Proposition 57 in 2016, that downgraded a number of felonies to misdemeanors and fast-tracked the parole process for felons convicted of nonviolent crimes.

Efforts to reform the justice system and reduce prison overcrowding prompted the law changes. Voters are sympathetic to efforts allowing prisoners to achieve rehabilitation. Voters passed both ballot initiatives despite major opposition from the public safety community.

The combination of laws, however, has the law enforcement community warning of a rise in crime with little ability to curb it. Property thefts, forgeries, frauds, illegal drug use, and more under $950 are labeled a consequence-free crime because few arrested for such crimes serve any time, and perpetrators are aware of the situation.

According to a release from the Association of Los Angeles Deputy Sheriffs, "Prop 47 has created a criminal culture where criminals know they face little, or far lesser, punishment for their crimes. Following the passage of AB 109, nearly 25 percent of jail space that could house criminals serving local sentences for property or violent crime is now occupied by those shifted from state prison to local jails to serve their time."

Law enforcement officials reveal increases in crime as a result of the new laws, but it is the consequences on the street and in people's lives that have changed the tone of the conversation. If you're not convinced, take a look at neighborhood websites with constant chatter about break-ins and suspicious activity and how to set up alarm systems and security cameras.

In Sacramento a growing number of neighborhoods fed up with petty crime pooled money to hire private security for public streets. In the Inland Empire, vehicle thefts jumped from ninth in the nation to fifth in just one year. In the west San Fernando Valley, gang activity has increased 63 percent in two years. A number of California cities are joining in an effort called Taking Back Our Community, a coalition of local governments dedicated to public education and community advocacy surrounding the unintended adverse public safety impacts of recent changes to California's criminal law.

This surge of activity recalls another time in California history when crime became a major policy and political issue. As noted California historian Kevin Starr wrote in his book, *Coast of Dreams, California on the Edge, 1990–2003:* "In 1980, California had fewer than 25,000 inmates in a dozen prisons. By January 1998 there were some 154,000 prisoners in 33 prisons." Californians elected two governors in succession who were tough on crime. Republicans George Deukmejian and Pete Wilson occupied the corner office in the capitol for much of the 1980s and 1990s.

In his first inaugural address in 1983, Deukmejian said, "All the prosperity in the world will not make our society better if our people are threatened by crime. Therefore, it will be the highest priority during my administration to provide all the leadership I can to make California safe again."

Wilson's 1994 State of the State Address was one of many to pinpoint the crime issue. He called for get-tough measures against dangerous felons and repeat criminals. He also called for bills that would put three-repeat felons behind bars for good.

The legislature responded by passing a three-strikes law in March, but the people did them one better, supporting a three-strikes ballot measure (Proposition 184) in November 1994 that received nearly 72 percent of the vote.

But the crime pendulum shifted with Propositions 47 and 57.

In a Sacramento Bee op-ed published a month before the November 2016 election in hopes of stopping Prop 57, which Wilson argued gutted the three-strikes law, he wrote, "The three-strikes initiative approved in 1994 and other sensible crime-control laws prevented millions of Californians from becoming crime victims. It would be gross dereliction of duty to discard laws that have provided us protection of such proven effectiveness."

This time he was not as persuasive.

But now that the effects of the crime-reform initiatives and state laws are being tallied, that pendulum may be moving back again. Will state politics follow?

Certainly California is in a different place today than three and four decades ago, but growing unease can be detected about the tax and crime issues that dominated politics in that era.

Let's just say that Jerry Brown, rather than Doc Brown, would recognize the modern social-media terminology associated with the taxes and crime in California.

They're trending.

Joel Fox is president of the Small Business Action Committee, former president of the Howard Jarvis Taxpayers Association, and co-publisher/editor of *Fox and Hounds Daily*, named by the *Washington Post* as one of California's top political websites.

CalNotes:

"I'LL GIVE HIM 20 MORE MINUTES"

To the cast of players at the intersection of filmdom and politics in California—most prominently, Ronald Reagan and Arnold Schwarzenegger, plus a bevy of screen icons that pour out of the woodwork every presidential election year—add Howard Jarvis, the leader of the Proposition 13 tax revolt. Jarvis's star turn was a cameo role in the original Airplane! In it, he plays an average joe who hops into a taxi at LAX, only to be stuck curbside for the film's duration (this was a 1980 film, well before the likes of Uber and Lyft). In fact Jarvis gets the last line in the movie (it's the headline above) as he waits for his cabbie to return to the car. Jarvis would recall telling the film's producer, "I'm no actor." To which the producer replied, "Well, you don't have to know anything to be an actor." Some might say the same about some politicians.

While Other Nations Fear the "Silver Tsunami," the Golden State Should Learn to Surf the Coming Aging Wave

By Greg Lucas

It's time to finally ditch the "Silver Tsunami" label about longevity. By 2020 one in five Californians—about eight million residents of America's nation-state—will be aged sixty years or older. That ratio will climb to one in four by 2030.

But it's not like some huge wave of gray-headed folk is going to inundate Fresno. Having more people hang around longer with more experience, more know-how, more desire, and more capacity to give back to their communities does not make a cataclysm.

In the aggregate, it sounds like the equivalent of a pleasant afternoon in a public library.

So to begin this reframing, let's pat ourselves on the back for a pretty astounding success story: in roughly 150 years, humankind has doubled its life span. Kids born today have a pretty decent shot of hitting triple-digit ages.

At the same time that our life spans are lengthening, younger men and women are having fewer children, and presto! the over-sixty crowd ratchets rapidly up to being a larger share of the population.

This is not just a California phenomenon. Nor is it a several-decades-long aberration, a blip on civilization's millennia-long march. Having more people live longer is going to be part of the package deal on this planet for the foreseeable future.

The percentages of older citizens to younger is going to be even more pronounced in Japan and Europe, where there is significantly more hand-wringing and teeth gnashing by policy makers over the potential collapse of already sagging social service networks and retirement systems. Longevity is coming to India, Brazil, and other emergent economic powers.

This of course is not news. Numerous individuals, economists, think tanks, pollsters, and government agencies have been talking about this sharp growth in the world's elders for more than fifteen years.

One of the most articulate voices is Laura Carstensen, executive director of the Stanford Center on Longevity.

"We need to be reflecting on what an ideal century-long life would look like. What would be needed from employers, private-sector changes, state and federal policy changes, education," Carstensen said in an interview. "Instead we're talking tsunami and bracing for some imagined fall instead of building an infrastructure."

As Carstensen suggests there's been little sustained or coherent effort made by California decision makers to prepare for this eventuality that will fundamentally change how we share our cities, highways, and homes. It's particularly odd, given that Californians over fifty generate 42 percent of the state's gross domestic product: a little more than $1 trillion, according to a 2015 Oxford Economic study commissioned by the American Association of Retired Persons on the impact of a "longevity economy."

The California Department of Aging is circulating a draft of its four-year California State Plan on Aging (here's the department's 2009–13 blueprint). The current plan, which must be created to obtain federal funding, offers broad goals such as "make information on health and supportive services accessible to older adults" but few specific policy changes to help California create as many positive outcomes for the already occurring graying of our population.

Among the desirable positive outcomes California should be taking steps to achieve is making it easier for seniors to continue to work, at least part-time, and stay in their homes, which something about 90 percent of seniors say they want to do. Among other advantages, older Californians living at home makes it cheaper to meet their health care needs for all the obvious reasons.

Californians also should be able to come back to universities at different times in their life, volunteer at all ages, and have shorter workweeks to accommodate longer working lives.

Like the homeless, California's over-sixty population is anything but homogeneous, so determining the most productive public policy moves requires a close look at who our seniors are. The Department of Aging draft plan offers some answers.

Of California's older adults

- 23 percent have limited English proficiency
- 25 percent live alone
- 72 percent are women age sixty or more, living alone
- 30 percent have a disability
- 82 percent have a high school degree or better

Two-thirds of California's seniors currently live in Los Angeles and the San Francisco Bay Area. But growth in the number of older Californians in the Central Valley and Inland Empire is expected to climb by nearly 120 percent during the next thirteen years.

As of 2016 more than 16 percent of California's elderly live below the poverty level. Nearly 21 percent are poor or near poor. The federal poverty level in 2017 is $12,060 for a single person and $16,240 for a household of two. "Poor or near poor" maxes out at 149 percent of poverty: about $24,200 for a household of two and $18,000 for one person.

If those percentages hold into 2020, which is likely, nearly three million of the eight million Californians over sixty will be trying to survive on a maximum annual income of $18,000 if they're alone and $24,200 if their spouse or partner lives with them.

RentCafe notes that as of May 2017 the average monthly rent for a 512-square-foot studio apartment in Palo Alto is $2,341, up 9 percent from 2016.

Approximately 1.6 million of California's older adult population is foreign born, the Department of Aging says.

In an August 2015 study, the Public Policy Institute of California found that by 2030 Golden State seniors will be 43 percent white, 26 percent Latino, 16 percent Asian American, and 5 percent African American.

Latino and Asian American families are more likely to have multigenerational households. When new housing is built, does some percentage facilitate those kinds of living arrangements?

Although California's sixty-plus population is diverse, some improvements benefit all. Our cities must be livable and navigable for persons with mobility issues or reliance on transit. Something as mundane as a cracked, uneven sidewalk can put someone of any age at risk.

Many of California's public institutions were grandfathered in under the 1990 Americans with Disabilities Act. Bringing just one restroom into an urban or suburban public building can cost $250,000. Is there a loan program or financing mechanism to help?

If people are living until they're ninety and beyond, doesn't retirement have to be redefined? Of course it does.

But the best thing California can do right now is to take Carstensen's advice and view this new phase of human growth as an opportunity. Make it easier for our elders to do what they want anyway: give back and be valued.

As is often the case, this is happening in various areas through the state without government incentive or penalty.

Members of California's community's age zero to a hundred are already learning and living with one another. Seniors are volunteers, literacy tutors, homework helpers, and make-space monitors.

Don't believe me? Go spend a pleasant afternoon at a public library.

Greg Lucas is state librarian of California. He was senior editor for *Capitol Weekly and* has written, and edited *California's Capitol,* a website he created in 2007 focusing on California history and politics.

CalNotes:
I LOVE LOS ANGELES BUT FOR HOW LONG?

Trying to figure out one's life longevity as a resident of California's largest metropolis? There's always family medical history or a trip to a palmist if you believe in lifelines. Or you could consult this report by LA County's Department of Public Health. A baby born today in LA can expect to live 82.1 years: 2.8 years more than the average American, just about that of the average Californian (81.9 years), and just shy of Israel, France, and Sweden. The cities with the best life spans are Walnut Park (90.5 years), Malibu (89.8), Castaic (88.9), and Rowland Heights (87). At the other end of the spectrum are Sun Village (75.8), East Rancho Dominguez (76.1), and Lake Los Angeles (76.2). Still, that's not so terrible considering life expectancy ranged between thirty-eight and forty-four years during the early days of California statehood.

EUREKA

ABOUT THE PUBLICATION

Eureka was created to serve as an occasional discussion of the policy, political, and economic issues confronting California. Like the Golden State motto from which this forum's title was borrowed, the goal here is one of discovery—identifying underlying problems and offering reasonable and common-sense reforms for America's great nation-state.

Ever since Archimedes supposedly first uttered the word, *eureka* has meant joy, satisfaction, and a sense of accomplishment. Drawing on the combined wisdom of Hoover's policy experts and leading California thinkers, we hope that you'll find enlightenment in these pages. Hoover research fellow Bill Whalen, who has nearly two decades of experience in California politics and public policy, serves as this forum's editor.

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