

Justin:

Welcome back to another episode of Bush School Uncorked. And Greg is back. Greg, I missed you last week.

Greg:

I was sad that I wasn't here, but I was interestingly enough, I was doing another zoom for a military education project called Seminar 21, which is a long running kind of military education. It's been broadened out, there's all sorts of civilians involved now, but it's kind of mid-career education and for the, God, I guess 25 years I've participated in one of the seminars series for the class for that year on the Middle East. So I was zooming in to talk to folks about the Middle East and it was fun because I love to talk about the Middle East.

Justin:

Very nice. Well, David Bradford and I chatted. He's a health economist friend of mine who I don't think you've met, but you know of as just from my discussions of him. But we talked a little bit about things from the health care and public health perspective, not from a disaster or an epidemiology, but kind of the system, the healthcare system and some of the challenges this has presented. And we covered some, giving people some of the logic behind "flatten the curve" and why the way in which we have social distance was so important, particularly at the spread because we were concerned both about the spread, but also going over peak capacity for the hospitals. And he kind of gave that argument for the listeners. So we worked through that last week in kind of our continuing series on COVID-19.

Justin:

And one of the things that we haven't really talked about is some of the governance angles of it and what it means for the particular governance context of the US which is a Federalist ruling system. And so as you and I were talking before and I think it will be kind of interesting to dive into that a little bit. And also what I'd like to do is as we have guests, we're doing a live zoom again we'd like to take questions and interact with you. We actually have a state government expert with us. It's a friend of mine that might jump in with some comments or some questions as we're talking through the federalism angle. How does all that sound to you, Greg?

Greg:

All good. Let me say one thing about the hospital stuff because I ... This is not particularly academic. But my sister is the head emergency room nurse for a hospital back in our hometown of Wilmington, Delaware. And I was zooming with her and my other siblings on Easter. And I was asking her, "Are you guys overburdened?" And she goes, "Just the opposite." Because she's not in the COVID wing, right? She's in the ER and she said all this social distancing we're not getting shootings, we're not getting car accidents. And so it's actually interesting that when we, I think when we plan the hospital thinking about not overstressing the healthcare system and we saw Italy and all were clearly overstressed.

Greg:

We kind of didn't factor in how social distancing was going to decrease the call on hospital services that were non-COVID related. And also we're getting the some evidence that people are dying in their homes, right? Because they don't want to go to the hospital because they think hospitals full of COVID patients. And so I think we have some data from New York City where you're getting more deaths in the

home than you would in a normal period because people are reluctant to go to the hospital. Either because they've heard that the hospitals are overstressed or because they think if they go to the hospital, they're going to get COVID. So it's kind of this interesting unexpected results from these social, these kinds of social interactions when people are making decisions that we can't always anticipate.

Justin:

Yeah. I've heard some similar commentary anecdotally as well from kind of rural parts of Georgia that people that have friends working in hospitals say in the regular ER that things are way down. And it kind of makes sense, right? I mean, with everyone being home and not going out, not driving. And also if you get sick and it's not the same symptoms as COVID-19, you're probably trying to stay home because you don't want to be in the hotspot of the hospital. I can say to my, I have a grandfather who's 85, and all his doctor's appointments have been pushed. They don't want him anywhere near the physician's office.

Justin:

And then I've had another family member who's had some heart issues and was able quickly in Georgia, Georgia to get a heart surgery. So those are interesting pieces of pushing back routine visits from an elderly person who can probably afford to wait to something more pressing like a artery blockage. There's still, at least in Georgia right now have the resources to provide that healthcare.

Greg:

It is. Yeah. And it's just a yet another example of the unintended consequences of decision making, which I think is a ... I don't know how many lessons you can take from an accepted, just expect the unexpected when you're making decisions that affect how millions of other people make decisions.

Justin:

Yeah. So let's jump right into some of the governance aspects we were talking about. One of the things that would've been in the headlines today, we're recording on Tuesday, April 14th, is that a team I guess, of governors are kind of pulling some of their responses together as kind of a response team from some of the States that had been the hardest and seems to be kind of targeted at in response to a lack of federal leadership that they could trust in or that was kind of being as helpful as they wanted it to be. What's your take of kind of what's going on, on the ground as we start thinking about how to respond as we hopefully, it looks like we have some evidence that the national numbers, we are also flattening the curve a little bit.

Greg:

Yeah, I mean, it does seem to me that yesterday, we might look back at yesterday as an interesting turning point in the politics of the response to the coronavirus crisis. The president was extremely emphatic yesterday. That might be the kindest term one can use for the performance. And it was, aside from the kind of the defensiveness reacting to, I think the articles, particularly the New York Times article over the weekend that tell the decision making process in the Trump administration and pointed out what I think many people would see as some of the failures in that process. I think the president was also kind of rattled by the fact that these governors are kind of forming regional coalitions to try to manage the whole issue of quote unquote "reopening the country, reopening the economy."

Greg:

And he pushed back very hard on that asserting in a very kind of a unique way in American constitutional history that the president has absolute power over the States in a time of crisis. And I guess there are times when one can argue that. That we have seen that kind of the takeover of federal control or the takeover of States. But here we're clearly seeing governors pushing back against the notion that the president is going to make the decisions on how the economy gets restarted after this period of, I don't know what we want to call it, the Paul Krugman in the New York Times calls it, "Putting the economy into an induced coma." Which is not an unreasonable way to think about it, I guess.

Greg:

So yeah, I mean, I think that we could be set up for a real kind of constitutional challenge where the president says we should be lifting social distancing requirements and governors in concert with each other in certain regions say, "Well, no, we're not ready to do that yet." And I have no idea what happened after that, but it will set up some very interesting questions about federalism.

Justin:

So one thing that it dawned on me is as you were kind of laying out some of what's happening is, part of it also has to be a frustration with just the way in which this particular situation has played out, right? Because at the beginning you would have hoped that there was a national coordinated strategy in partnership with the States to help respond as things were unfolding. And part of the argument or part of the criticism from that time period was that the Trump administration sort of abdicated that role and instead said, "Hey, this is really a local issue. You need to figure it out at the state level. There's going to be hotspots at different times. So we're here to kind of support you. But this is a state decision." And some States like some of the ones I've been following, Georgia and Texas both to some degree then mirrored the same thing at the state level and said to the localities, "This is really a locality's issue." So I think localities need to take that decision making authority."

Justin:

And some of that's changed at the state level. There's been different orders come down from the governor's office since then. But it is interesting aside from the federalism issue which all of this is kind of embedded within the federalism issue, but just from the how this particular timeline has played out, for them now at this point, after the States had been forced to compete for masks and compete for ventilators and are out on their own, then now the president is making the argument that now not in the time of responding to the initial piece. Now he has the kind of absolute authority to unilaterally make the decision of when States will open back up.

Justin:

Which is it, right? Is it the decision making authority with the States? And that's good because it's localized and we need to have some coordination. But in general, you want at the local level for people to respond or is it that the federal government definitely knows when we need to reopen, they'll be making all the decisions. Responding to the same crisis, the about face off just from a decision making process, it's pretty wild.

Greg:

Yeah. And I think that we can talk about this in theory, but in practice, we're going to roll back into more quote unquote "normal," whatever that's going to mean, life in fits and starts, right? I mean, New York city is going to be different from rural counties in Texas and it should be. And so that does argue for

delegating a lot of the decision making authority on things like shelter in place, ' stay at home and all, to local, whether that's at the state level or at the County level. But obviously the economy is a national issue and the president is worried about it, legitimately worried about the economy. He's also politically worried. I mean, we are in an election year the democratic primaries are over for all intents and purposes. Joe Biden's going to be the nominee and so the president is undoubtedly thinking about the general election in the same way that Democrats are thinking about the general election.

Greg:

So the economy's a national issue, but I can't see a national strategy for quote unquote "reopening" that would make sense for rural Texas, New York city, Seattle, San Francisco and Detroit. I mean, some of this stuff I think has to be done at the local level. And I think a lot of the commentary that I've seen recently on this, because we're kind of getting back to an argument that we had a couple of weeks ago. A public policy argument about are the costs of our shelter and place, social distancing policies greater than the costs of, that are inherent in the closing down of large chunks of the economy. Which I think is a legitimate argument to have.

Greg:

I personally come down on the side of the scientists on this, not the business people. And I'll listen to Dr. Fauci and Dr. Burks and other people trained in epidemiology and medicine before, I'll listen to Peter Navarro and CEOs who call the president in the evening. But it's a legitimate argument because there's pain on both sides, right? So I understand why this argument is coming back up, but it does seem to me that an assertion of presidential power on this is going to run into, on this, that is to say the quote unquote "reopening" is going to run into all sorts of legal and constitutional blockages.

Justin:

Yeah. So as part of the discussion there are at least two people in the audience that I know are state experts. So if they have any questions that they'd like to ask or would also like to jump in here in a little bit. And we start moving to the Q&A to talk about some of the, what you see as the state role, those of you that are here that have some of those roles, if you're interested in joining by audio shoot a message in the chat box, still [inaudible 00:15:50] Faith if you have just regular questions you'd like us to discuss also just post them in the chat box. So yeah, so I mean, I think that plays out to your point, Greg, that a one-size-fits-all federal strategy certainly doesn't work.

Justin:

But what might have been helpful or what could still be helpful is gathering all the governors together on some type of committee or some type of planning process where the federal government plays the lead in gathering the officials together, thinking about different strategies, thinking about different ways in which the federal government can target responses that would be helpful to them. But that hasn't been the federal government's response. So what have States tried to do instead? Well, some States that are starting to move on into the phase of maybe flattening their curve, are trying to do that just kind of on their own. Is that sort of your read of what's of what's the latest has been?

Greg:

Yeah. I mean, I find it fascinating that these States are forming kind of regional compacts. And we'll see how practical that is. Right? We'll see how practical it is for Washington, Oregon and California to coordinate. I think the States on the East Coast were Massachusetts, Rhode Island, Connecticut, New

York, Pennsylvania, New Jersey and Delaware. So on the West Coast, all democratic governors, right? On, on the East coast, one Republican governor, Charlie Baker in Massachusetts. It'll be interesting to see if Lawrence Hogan, the Republican governor of Maryland might join into that compact as well, but how they're going to cooperate, I don't know. And I do want to make clear because I was sounding like a real federal, a real Federalist absolutist to some extent. There's role, I mean, only the federal government could have passed the \$2 trillion CARES Act, right?

Greg:

No state has that kind of fiscal capacity. And so the effort by the federal government to step into this huge economic hole that's been created by having to put the economy on an induced coma is obvious. And so obviously I do think the federal role has to be important, but I'm not sure how we're going to calibrate the economic power of the feds, which has always kind of been the way in modern times that they've imposed themselves on the States. I.e., you want money from the federal government do this, and the States have to have money from the federal government and so that's what they do.

Justin:

So on kind of the financing and funding piece and how it's different across the federal, state and local levels through our chatbox, I think one of our guests is has actually published some things in public finance at the state level. And are you there? Can you hear us Tyler?

Tyler Reinagel:

I can indeed.

Justin:

All right. Is it okay if I just introduce you?

Tyler Reinagel:

Have at it. Well, as long as you're nice about it.

Justin:

Oh, well I won't say anything true except basic information. So with us tonight is a long old friend of mine from college, Dr. Tyler Reinagel. We both got our PhDs from University of Georgia back in the mid 2000-teens. And he now works in state government and state level government was his specialty in his studies. So tell us a little bit from kind of thinking about this from a funding and federalism angle, how reliant are state's going to be on the federal government in this time of pausing the economy and pausing the revenues. What's some of your insight into this?

Tyler Reinagel:

Well, I'll tell you, I think there will definitely be some longterm reliance on the federal government. But in my role with the state, I get to work hand in hand with many, many local governments across the state of Georgia. And the bigger issue that really seems to be coming to the forefront in my conversations with local officials is the pressing end of the budget year. In a lot of communities across the state and in 40 plus States across the country, the fiscal year ends on June 30th and balanced budget requirements are commonplace in probably 45 or so different States across the country and just about every local government across the country. And being in a position now where you can't have public

forums where you can't have council or commission meetings it's become a very tricky predicament to get a budget put together, to be ready to go July 1st when that new fiscal year starts.

Tyler Reinagel:

And I know state governments are having similar concerns because in a lot of instances it's a part time legislature that's working on putting together this budget and they're not able to meet because of these stay at home requirements or the ban on gatherings, which would include a legislature. So the more pressing concern is that they're really getting behind on that traditional calendar, having a budget ready to go on July 1. And shutting down police at the local level, shutting down fire at the local level. And these are really not options that are on the table. So it's going to have to demand some really creative and really expeditious problem solving on their part and then also taking into consideration that the revenue streams are going to change dramatically. I'll speak to Georgia just because I know it most intimately. Almost 70% of state revenue is coming in from either the individual income tax or from sales and use tax.

Tyler Reinagel:

Well, we see the skyrocketing unemployment, which intuition would dictate is going to result in lower individual income tax payments. And we've also seen consumer spending fall by virtue of folks being at home and not being out spending money. So these are like I said, 70% of the state revenue that's going to take a major hit and local governments are going to feel much of the same effect, particularly when it comes to sales tax and excise tax on things like hotel stays or rental cars. So there are a lot of fiscal considerations that are going to have direct impact at the state and local level where we feel it most intimately and most daily in terms of service delivery.

Justin:

Yeah. So one thing for people to keep in mind, if you're listening in and you don't know, of course there's funding for government programs across federal, state and local. They play different roles. And one of the things that Tyler was mentioning is that state and local governments have these balanced budget requirements, which is essentially not all of them, but almost all of them have requirements where their revenues have to match their expenses, unlike well, loosely put. And whereas at the federal government that you can run up a deficit year after year after year. And one of the reasons why this is important for what we're talking about is things like police departments are funded at the local and state level in a large part.

Justin:

And so if these institutions have balanced budget requirements and their revenues are being cut towards, into their budget, that means that expenses have to be cut somewhere. So we might find ourselves in a position where we can't pay law enforcement or we can't pay public health officials, where we can't pay people that provide the basic services to communities. Tyler, one followup question for you if you don't mind, which is, do you have any thoughts about how we could be proactive? Are there sources of revenue already in place from the federal government? Do you have any kind of potential or specific ideas for how we can help stabilize some of these budgets and make sure we can have basic services at the local level?

Tyler Reinagel:

Absolutely. The biggest opportunity is going to be in the form of grant funding from the federal government. Most prominently in the one that would probably be most well known among folks is the Community Development Block Grant or CDBG program. And these funds, I know people who have been harping on it the last couple of weeks and I'll join that chorus, filling out the census and making sure that we know where you live in terms of city, in terms of County, in terms of state, is critically important in driving those funds from the federal government down to the state and local level. They're going to go to where they're most needed, where we have the most population. So making sure that you are counted and making sure that your presence is known in your community by virtue of the census is going to be critically important in making sure that those grant funds get channeled down from the feds to the States and localities.

Justin:

Very good.

Greg:

Tyler-

Justin:

Thank you Tyler.

Greg:

Tyler, let me ask you, there's absolutely no way. I assume that the state of Georgia can balance its budget without some kind of federal intervention, in the near term. And my understanding is that the packages that have gone through Congress so far don't include kind of block grants to the States. What's going to happen on July 1 in Georgia, if there's not a block grant from the federal government to help make up the decline in both, in common sales taxes?

Tyler Reinagel:

That is a very good question. And there's, I'm sure a lot of behind closed door conversation happening to kind of get to that. I hate the word and I have demanded a 90 day moratorium on its usage once this is all said and done, but it is unprecedented territory.

Tyler Reinagel:

It is completely uncharted and I don't know that our state or really any state has found themselves in a situation akin to this. So hopefully there are some creative problem solving discussions going on behind closed doors and when our legislature does reconvene, hopefully have something that will make sure that Georgians don't suffer and Texans don't suffer out y'all's way. And really anywhere in the country. But it is going to take some creative problem solving. And one of the things I still teach from time to time as Justin mentioned, I still do some research from time to time. One of the things I harp on is that revenue diversity equals revenue stability. If you are overly reliant on any one single revenue stream, whether that be income tax, sales tax, property tax, if you are over-reliant on it, you are going to feel the punch at some point.

Tyler Reinagel:

And I think this is going to be the point for a lot of those jurisdictions that have found themselves over reliant, particularly on income and sales taxes.

Greg:

But there's really no revenue source that's going to survive this, I mean, what we're looking at now? I mean-

Tyler Reinagel:

Yeah, you're going to see a hit in property values. So property tax revenue for cities and counties and school districts is going to take a hit. Obviously we see this huge spike in unemployment that's not likely to come down as quickly as it went up. So we'll feel that punch as well. Consumer spending, I think there's reasonable argument to be made on both sides and of course the discussion of Nexus and the taxation of online sales. Thankfully that's behind us in a lot of communities and they're reaping the benefits of it. But yeah, like you said, Greg, every revenue stream we have for state, local and federal government for that matter is going to take a hit through this and it's not going to be a quick rebound. I have no doubt about that.

Greg:

I mean, I don't see any alternative to some kind of federal block grant going to the States basically just to fill budget holes so you can maintain police services, you can maintain, I mean, the unemployment benefits that they get paid to at least a partial extent out-of-state funds. It just doesn't seem like you can sustain the kind of governance level that you need in this crisis without the feds coming in and filling the budget holes of the States but of course when you do that, the feds can bring ... What do I want to say? [crosstalk 00:28:10]

Tyler Reinagel:

That there's stipulations-

Justin:

Stipulations, yeah.

Greg:

Stipulations, right. Mandates. Maybe in this case funded mandates, but mandates, yeah.

Tyler Reinagel:

Whatever it is that's going to need to be very quick action. Because like I mentioned before the overwhelming majority of States have fiscal years that end on June 30th, which means there's got to be some sort of funding in place for all of these programs come July 1. And while it's only mid April, I think everybody here knows how quickly or not quickly government bureaucracy moves.

Greg:

Well, and as you said, I mean legislatures which frequently meet up and to that at the end of that budget period, in order to get the next year's budget done might not be able to meet. And in talking as Justin and I were talking before about the potential for a real rollicking constitutional confrontation between governors who don't want to follow president Trump's instructions in terms of lifting social

distancing policy hypothetically and a president who wants to be able to reopen the quote unquote "reopen the economy". These kinds of block grants can become maybe the lever through which the federal government can force States to follow the white house's desires on these things. I think that'll be a very interesting thing to watch.

Justin:

So Tyler, the final question for you is and sparked by a comment in the chat box, do you think that alcohol and tobacco sales can just make up for the rest of the loss in revenue given that everyone is-

Tyler Reinagel:

[crosstalk 00:30:02] my part. If we're selling enough alcohol in this country to fill the void from income tax and broader sales tax then we probably have got a much more substantial problem.

Greg:

Yeah. We're not Russia quite yet.

Tyler Reinagel:

It'll help, but it certainly will not fill that void.

Justin:

Yeah. Well, Thanks T. If you have any other things you want to jump in as we continue talking, jump back in. You have my permission and if there's any other questions as we're kind of moving the conversation along, add them into the chat box. If like Tyler you'd like to visit with us via video we're happy to kind of try that out with the crowd we have tonight. Just let Faith know and she can unmute you if you have a question in a little bit.

Justin:

Greg one of the things you mentioned now talking about a crisis of federalism has me thinking about how things play out in other countries and I'm going to tap into your international affairs expertise here. What happens in countries where States become a little bit more fractured and who has the power and what the clear lines of authority are and who has power on the ground to enforce things. How does that play out if you have a, if a team of governors take another step, right? And then they refuse to pay federal taxes on something because they need that money to respond to coronavirus. What does this look like in other contexts?

Greg:

So I don't think that there's that many cases of federalism a lot in the United States. I mean, I think that they're mostly in the Western hemisphere, right? Canada is even more decentralized federal system than we are. The provinces have more power than the American States do. I'm not a specialist on Latin America, but I understand that a number of Latin American countries kind of from 18th century independence times looking at the United States as a model, adopted formally federalist systems. Mexico obviously is a federalist system with elected state governments now. The part of the world that I'm more familiar with is the middle East and there is no federalism there. It's very centralized control. So you can get, for example, in Saudi Arabia, which has been hit by coronavirus, just like everybody else has been hit.

Greg:

The national government in essence closed the country down. I mean, in the major cities, there's 24 hour curfew right now. You can only go out to get food and for medical care basically. Travel among the provinces in Saudi Arabia is forbidden. And-

Justin:

Wow.

Greg:

... while we know that in some American States the state police are checking people as they come in across the state border. And saying if you're going to stay, you have to go into 14 day quarantine and you have to report where you are and all. I don't think that there's any state in America that can actually cut off travel from another state. But in Saudi Arabia, the central government enforced that on a country that it doesn't have as many people as the United States, anywhere near, they have a population of about 30 million overall, but it's as big as the United States, East of the Mississippi. So pretty big land area. When you talk about local governors refusing to send the tax money to the central government, that's, in the history of the Middle East, that's called a rebellion.

Greg:

That's called a rebellion. And historically we've had that in the time of the Ottoman empire, but in kind of modern, independent, Middle Eastern States, post world war II, the authority of the central government, whether it be in Turkey or Iran or Egypt or Saudi Arabia or smaller States like Israel and Jordan has been absolute. And the places where you see this kind of local autonomy now in the Middle East of the places that are in civil war, right? Syria and Yemen and Libya and, to a lesser extent, Iraq. Iraq actually is the one Middle East case where you kind of have a constitutional federalism with the Kurdish regional government having all sorts of independent powers from Baghdad. So, yeah, I mean, I think we'd have to get on people who knew something about Latin America, which we're trying to do.

Greg:

We're trying to get our colleagues who know stuff about Latin America to come on and talk. It might be interesting to see how federalism in Mexico is working. We have kind of an opposite case of a federal government that has not stepped in and tried to enforce social distancing or shelter in place or even recommended that as far as I know in Mexico. And so I imagine that the state governments have more leeway in Mexico, but it would be interesting to get somebody who actually knows something about Mexico to come in-

Justin:

Oh, that's what I'm going to do-

Greg:

... and talk about that. So we're going to try to do that if not this semester, but when we get back rolling in the fall and maybe we'll learn something about federalism in the rest of the Western hemisphere.

Justin:

Well just a reminder that if you do have some questions feel free to jump in. We've got about 10 or 15 more minutes to move along. One thing that we haven't talked about, Greg, that is something that I've been thinking a little bit as we've been thinking about how to move forward and how to respond to continue having mitigation efforts as we make a plan for when we might reopen the economy and there's a lot of different ways of thinking about this and a lot of them involve doing a lot of testing and then tracing of cases. And you can also do that in a lot of different ways. One of the proposals that I've heard, two, one, one came out of the white house early on and more recent one that I was reading came from a think tank and one was this idea that Google would kind of take some sort of lead on doing some testing and tracking basic testing information. The second idea that I've seen is everyone having to download an app on their phone.

Greg:

Oh, I jumped the gun. [crosstalk 00:37:24]

Justin:

You did. You were reading my mind. And that's the other big one, right? Is some of the suggestions that I've seen or, well just how people download an app before they can get their results and then we can just track them at all times to see where they go. And so I have been a fan of deferring to the public health experts. I think that social distancing stuff has been kind of very much a necessary practice to save lives. I think we need testing. We need to do some tracing of the testing, but come on, are we completely missing the picture of kind of the way in which that market already works for selling our data and using it to sell more products to us and then just kind of giving that over either to an app from Google or directly over to the government being able to be on your phone all the time. It's like we have to have some lines around this conversation of privacy and public health response.

Greg:

Says you.

Justin:

Says me. Should I say it again?

Greg:

Yeah, I mean, I got to tell you, you lock people up for a month, I think they'll give away all of their privacy to be able to go back and lead public lives. I think that people who worry about privacy in that context, although I think that they're right, that they're real issues here, I think that they would be in a tiny minority. I can imagine people saying, I've already got so many apps on my phone one more app where Google and Apple know who I came into contact with, so, to protect me because if they get COVID then I'll be informed. The longer people are locked up, the more I think people will say, "We'll worry about this privacy thing later. Tell me where I can download that app."

Justin:

Yeah, no. I think you're right. I mean this was the response in a different type of context and this is response to 9/11 for example was, "We're okay with being surveilled. Take the information if it makes us safer." And it seems that will be the same argument now as well.

Greg:

I would assume, I mean one would hope that the advances in testing would come fast enough that we could ramp up tests. One of the plans being discussed on the internet is from an economist, Nobel prize winning economist, right? Philip Romer, I think his name is.

Justin:

I've seen this, yeah.

Greg:

Where everybody gets tested once every two weeks, but that's how many millions of tests a day? So I mean there would have to be some technological breakthrough where in essence you could be tested once every two weeks, with in essence automatic results. The 15 minute result. And if you tested negative go about your business and if you tested positive, go home, self isolate, wait for your symptoms to hit, right? Look, I mean that to me, that would be preferable to downloading another app and letting Google and Apple follow me even more than they do but I don't know if we can scale up to that level and the places that have had success, right? From what I know, and I'm no expert on this, but I try to read about it. In the places that have had success like South Korea or Taiwan or Singapore, and we wonder about Singapore because they're hitting, they just went on total lockdown again, because they're hitting a second wave. The way they flattened curves and moved to lessen the restrictions on personal mobility was through testing, contact tracing and quarantining the people who have been exposed. But we don't seem to be anywhere near that, right?

Justin:

No, I don't think so. I think, we're ramping up some testing, but not nearly on the scale that it needs to be. There's not evidence, I mean, there's evidence in improvement, but not that we're getting anywhere to be able to execute what he's suggesting. I mean, everybody being tested in every other week, millions a day is not something we're prepared for.

Greg:

So here in the Brazos Valley where I think we have fairly good public health infrastructure and I think competent local authorities. We've, as of today, as of this morning's paper, and remember we have 250,000 people in the County. I think that there have been 1200 tests administered in Brazos County. And I don't think that that's because our medical officials in the County or political officials aren't competent. I think that those are the numbers of tests that they have. I think they would be testing more widely if they had the capability to do so. But this is one of those areas where if you like the governors pushing back against president Trump, I'm not sure the governors can generate the kind of effort necessary to ramp up the level of testing that we've been talking about in the last few minutes. It seems only the feds could do that.

Justin:

Yeah. And it does seem that is, from the public health experts, I've been reading, listening to them, the ability to widespread testing seems to be essentially a prerequisite for really kind of loosening the reigns on the social distancing. And we're still not quite there. I got a question here from one of the listeners and one of our colleagues and Tyler, if you're still out there, I think this one would be helpful for you to speak to. The question reads, "I'd love to hear how the state governments will react to funding the

nonprofit sector. Aside from being reduced, what responsibilities will States have to continue funding nonprofits given the States will likely to be relying on federal funding support for basic budgets? My inquiry stems from government pushing social responsibility to local actors since the 1980s. How do we balance local actors providing services for the government when they do not have funding?" So Tyler any insight on, as budgets are cut, what this is going to mean for nonprofits that are providing direct services on the ground, maybe from what you know about Georgia?

Tyler Reinagel:

That's a great question. And I think particularly prudent as whoever asked the question mentioned, this dates back really to the 80s where we started seeing state and local governments become more reliant on these nonprofit entities. But I think a lot of it rides on whether these are in kind grants out of the state or local budget, or are these contractual relationships in which a nonprofit organization is acting as, for instance, the County board of health. And in a lot of instances it is that contracted service delivery which is not really all that new a phenomenon, but in a lot of instances particularly those where it's an in-kind donation or some sort of pass through to the non-profit organizations, I think you'll probably see a lot of those getting slashed if not cut entirely as these budget pressures and the severely reduced revenue streams become a reality for state, county and city governments across the country. But those contracts and service delivery, the ones that I mentioned first and often times those are critical functions, critical services, things like a County board of health and those contracts obviously will need to continue in some fashion. Probably revisiting the scope of services, probably revisiting a lot of facets of those individual contracts. But those will have to continue as those are kind of non-negotiable functions of state and local governments.

Justin:

Great. Thanks T. That's really helpful. Greg, do you have anything?

Greg:

I got nothing on non-profits. We have plenty of colleagues at the Bush School who worked that and if I ever have any questions, I go to them.

Justin:

Yeah. And we should get some of them. We haven't had a will Brown on in a while or Kenny or Robbie or Ellie. We need to get them out joining us again. I think that's most of ...

Greg:

So I do have one more thing that-

Justin:

All right.

Greg:

... happened this week that I think we have to take note of. And that was the election in Wisconsin. And when we think about politics going forward in this election year, how are we going to vote? I think it's just going to be an essential question. The back and forth as to whether you were going to have in-person voting, whether the Wisconsin primary was going to be postponed. The fact that this went to the

Supreme Court was fascinating and troubling. I mean, the scenes of people in their masks waiting in-line to vote was troubling.

Greg:

I mean, I've always loved election day and going to vote because it's a community event. You feel you're part of a community that's exercising its democratic rights to choose its leaders. And as cynical as I am, that always gives me a warm and fuzzy. But I wonder if we have to be ready to vote from distance and I think that's by mail. The president has been absolutely adamant that that will not happen, but again, it's the states that decide and organize their elections. And I think it'll just be an extremely interesting thing to watch as we go forward because this has gotten very partisan too.

Justin:

Immediately, right? I mean, some things you can see coming in, I guess should see this one coming too. But it was amazing how quickly it went from, well, we could just do mail ballots. We have everybody's address, we could send mail ballots out and then it was essentially, but that'll cause more people to vote potentially, was what's some of the immediate kind of dialogue was, which was just kind of wild and then to your point though, this is going to be, it's going to be partisan on whether or not we should push back the voting dates to try to do it in-person or if we should try to start organizing to get mailing ballots as the system that works. And all of this, it's sort of going to be awkward stay at home order, all of this is going to break down around partisan lines, which is just not really good for your support of your election processes.

Greg:

And I'm no expert on election law, but I don't think that you can push back the national elections in November. I mean, I think by statute, right? By congressional statute, it's the first Tuesday after the first Monday in November. And the constitution says when the president, when the new president takes power, and so you can't, you certainly can't push it back beyond inauguration day.

Justin:

What's good is we have a big group of governors that are being led by a federal agency that's coordinating our responses so that proactively we already know this is going to be a problem and we're putting systems in place right now. Did you know that Greg?

Greg:

Hold on. What alternate universe have you been living in?

Justin:

No, but it's so painful. I mean, it feels that's something we should be able to do.

Greg:

I mean, mail voting it does seem to be something that has worked. A number of States already have it. Right? I think in what? In Oregon and Utah, most people vote by mail now anyway. Yeah, I think it'd be a real shame if we're not getting ready to do that because who knows what the public health situation is going to be in November. And we don't want to have a situation where people have to risk their health to vote.

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Justin:

Yeah. That seem like a pretty straightforward policy concern that we should be coming up with some good solutions to. And hopefully we do. We have a little bit of time. It's not tomorrow. So we do have a little bit of time.

Greg:

Yeah, so something that we can look at in the fall.

Justin:

Sounds good. Well, I think we're getting on the hour mark. We are going to come to you probably at least twice more to round out April. And we should have a guest with us next week. So it won't just be Greg and I, but wait to confirm that with you as we send out event information this week and we'll catch you the last week in, April and keep you updated. But then shortly after, we'll probably take a little bit of a break and figure out what kind of exciting conversations we can bring to you in the fall. Thanks to those of you that are here. I really appreciate you all taking your time to come show up. Tyler, thanks for sharing some of your expertise. Thanks for the questions and hope you all come back next week for another round. Greg, good to see you.

Greg:

Nice to see you, Justin. Tyler, thank you very much. And everybody have a good weekend. Stay safe.

Justin:

All right. Take care everyone. Thank you.