

WEEKLY UPDATE APRIL 9 - 15, 2023

BOARD LEFT MAJORITY POLICY BLITZKRIEG PRESSES ON RELENTLESSLY REGIME CHANGE METASTICIZES WITH EACH MEETING

- ✓ CAO "Resignation": No one, not even the new Board majority, believes this was a true voluntary resignation that fell from Heaven. In these matters the facts will eventually leak out from staffers who, in one way or another, become aggrieved in the normal course of business. We are already hearing about attempts to interfere with development of the Budget. Actually, we originally thought the Board majority would be too smart to fire the CAO as part of regime change, especially after only 3 months.
- ✓ 2. Debbie Arnold and John Peschong kicked off Paso Basin SGMA Coordinating Committee by Gibson. Matt Turrentine, who represents the Harvard University Endowment's interests in the Basin, appointed as Chairman of the Committee by Gibson. Turrentine donated \$6,500 to Gibson's supervisorial campaign in 2022.
- ✓ 3. Repeal of the Paso Basin Planting Ordinance and extension of the Paso Basin water moratorium to 2028. Plus staff directed to bring back amendment to allow water credit swapping & purchasing scheme throughout the Basin.
- ✓ 4. Redistricting Plan rescinded as part of political legal settlement. The Board majority
 refused to defend County's legally adopted map, which meets the requirements of the
 Map Act.
- ✓ 5. Citizen appointments to various boards and commissions not required to live in the district from which they are appointed.
- ✓ 6. Paulding directed staff to generate list of new tax and fee proposals "to expand services."

- ✓ 7. After public safety, prevention and remediation of homelessness adopted as top County Budget priority. Road maintenance dumped from list.
- ✓ 8. County to join 3CE Energy Authority.
- ✓ 9. Democratic Party activist Quinn Brady hired by REACH to run \$5 million economic development project.
- ✓ 10. Wolf in Sheep's Clothing: Campaign Donation Limit ordinance adopted problem is, it does not protect from independent expenditure groups and government unions that favor the left in SLO County. (See the article on page 26 for details on union power in campaigns).
- ✓ 11. The APCD and SLOCOG have received a \$300,000 grant to jointly develop a vehicle miles traveled (VMT) reduction credit market. Developers who build close to public transit, design car-unfriendly features, and otherwise conform to the doctrine will receive monetary credits that could be purchased by developers who don't conform.
- ✓ 12. County to rejoin the Integrated Waste Management Authority (IWMA).

All this has been jammed through in just 3 months on the basis of 13 votes in District 2.



REGIME CHANGE IN SLO COUNTY

THIS WEEK

NO BOARD OF SUPERVISORS

PLANNING COMMISSION LIGHT

3CE ENERGY AUTHORITY RUNNING OUT OF GREEN FAKE ENERGY CREDITS

FUNDING ELECTRIC SCHOOL BUSES AND CARS



LAST WEEK

BOARD OF SUPERVISORS SETS HEARING FOR REPEAL OF 2021 REDISTRICTING APRIL 28TH

HOUSING ADVOCATE AND FORMER PLANNER
ANN R. WYATT APPOINTED DISTRICT 2 PLANNING COMMISSIONER

COASTAL COMMISSION SKUNKS ADUS IN LOS OSOS & CAMBRIA FOR NOW

FAKE CAMPAIGN LIMITS ADOPTED RIGGED TO BENEFIT THE LEFT

CLOSED SESSION ON FINDING A NEW CAO FIZZLES NO REPORT FROM CLOSED SESSION YET

MORE STATE MANDATES ON COUNTY FOR CALWORKS, CALFRESH, AND MEDI-CAL DOES THIS MEAN MORE MONEY & STAFF? THEY ADDED STAFF FOR OBAMACARE AND COVID EXAPANSION

SLOCOG

WILL THEY BLUNT VEHICLE MILES TRAVELLED RESTRICTIONS?

EXEC DIRECTOR UNWITTINGLY OPINES: GAS PRICE IS ALREADY A FORM OF VMT

EMERGENT ISSUES

HUGE BIDEN TAX INCREASE IN HIS BUDGET

COLAB IN DEPTH SEE PAGE 23

HOW CLIMATE ALARMISM KILLED REAL ENVIRONMENTALISM

MANY OF THE ENVIRONMENTAL PROBLEMS CONFRONTING THE PLANET HAVE NOTHING TO DO WITH CO2 EMISSIONS AND, IN MANY CASES, ARE WORSENED BY MISGUIDED STEPS BEING TAKEN TO CURB CO2 EMISSIONS BY EDWARD RING

STRANGLEHOLD

MANY LOCAL GOVERNMENTS ARE CHOOSING POLITICAL SELF-INTEREST OVER GOOD GOVERNANCE BY SARAH F. ANZIA

THE "NET ZERO" DELUSIONS OF CALIFORNIA'S RULING CLASS

IT IS CORRUPTION ON A SCALE RARELY SEEN IN THE HISTORY OF THE WORLD, AND A STUPEFYING INDIFFERENCE TO THE CONSEQUENCES OF THAT CORRUPTION BY EDWARD RING

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THIS WEEK'S HIGHLIGHTS

No Board of Supervisors Meeting on Tuesday, April 11, 2023 (Not Scheduled)

Planning Commission Meeting of Thursday, April 13, 2023 (Scheduled)

The Commission agenda is light containing only a winery expansion on state Highway 41 near Creston and an indoor cannabis operation grow in Templeton. Both projects are recommended for approval by staff. Neither has garnered any opposition as of this writing.

Central Coast Community Energy Authority (3CE) Operations Board meeting of Wednesday, April 12, 2023 (Scheduled) 10:30 AM

Item 1.2 - Receive FY 2021-2022 Energy Programs Portfolio Evaluation. 3CE is pushing members to accept grants to buy electric school buses. Electric vehicle batteries, especially in large vehicles, are susceptible to explosive fires.



Do you want your kids trapped in a lithium blow torch?

This is how an Eco-Electric bus burns in an accident. This is the full force of lithium batteries burning. Imagine if this happened in a city center or under an apartment block with a car. Seattle recently bought a fleet of these electric buses. Nobody wants this to happen. However, it is one of the unintended consequences of the EV/Green Movement. 3CE has granted millions of dollars for electric school buses on the central coast. These dollars are sourced from your payments to 3CE. This was not included in the presentation 2 weeks ago, when Gibson, Paulding, and Ortiz-Legg voted to sign the County up for sweeping the entire unincorporated area into the 3CE Authority.

Appendix C – Supplemental Program Budget Figures
The following charts summarize, by county and by program, incentive distribution. ⁶

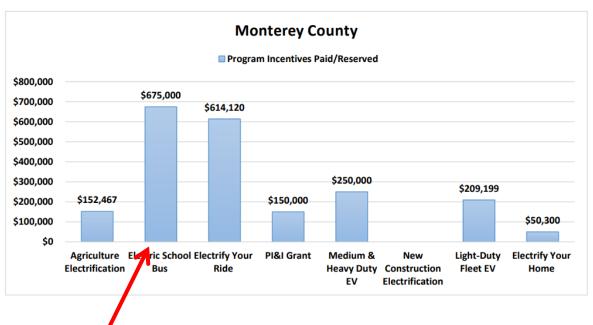
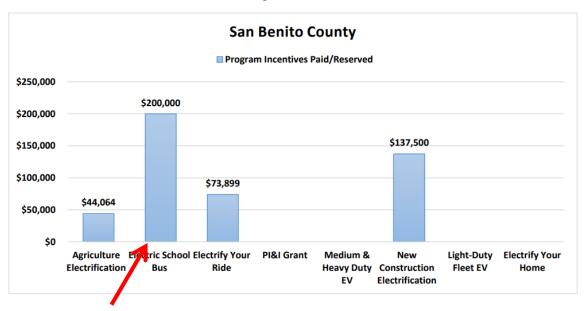
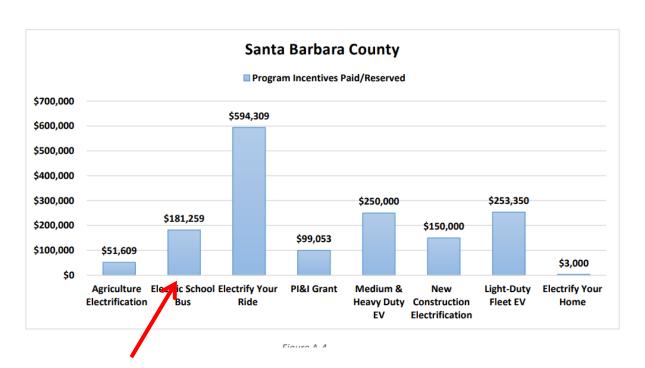
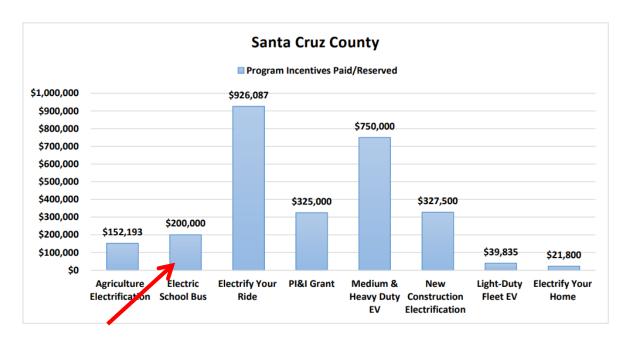


Figure A-1









Item 2.3 - Delegate Authority to the CEO to Participate in Pacific Gas & Electric's and Southern California Edison's Spring 2023 PCIA Market Offer for Long-Term Renewable Energy Credit Products; and to Execute Agreements for up to the Awarded Volumes in Amounts Not-to-Exceed a total of \$177,000,0000 with Terms of at Least 10 Years. The State is pressuring the Community Choice Aggregators, including 3CE, to purchase renewable energy certificates (RECs), representative of an increasing amount of renewable energy as a portion of their total portfolio. This is becoming increasingly costly and difficult. In fact, during the last round, 3CE could not find any renewable RECs on the market.

In February 2023, 3CE issued our own request for offers for 2023 and 2034 RECs and received zero bids, likely a reflection of the increased demand for RECs caused by industry-wide project delays. The IOUs' Solicitation may represent the only commercially viable opportunity to secure RECs for the current compliance period as the IOUs each control a significant portion of RPS eligible RECs in the market.

Now and ironically, they will attempt to buy renewable energy credits from the very private sector investor-owned utilities which they are destroying.

On March 7, 2023, the IOUs each issued a Long-Term Market Offer for PCIA-eligible RPS energy. These Solicitations allow load serving entities (LSEs) to offer to purchase the unallocated portion of each IOUs PCIA renewable energy portfolio. The projects being sold off by the IOUs have contract end dates out through 2043. If awarded, and if 3CE accepts the award, 3CE is required to enter a contract with a term equal to the IOUs contract end dates out through 2043, or up to a 20-year term.

The REC products offered through the IOUs' Solicitations are critical to 3CE's strategy for compliance with its SB 350 obligation, which requires 40% of 3CE's retail load be met with RPS eligible resources over the next compliance period of 2021 through 2024 ("Compliance Period Four"). PPA project delays caused by supply chain constraints and inflationary pressures are impacting 3CE's compliance strategy which relied on aggressively pursuing new incremental RPS projects. Current project delays may result in 3CE being as much as 22% short of its RPS requirements instead of the planned 31% long in Compliance Period 4. Penalties for Compliance Period 4 deficiencies are significant at \$50/MWh. The IOUs Spring 2023 PCIA Long-Term Market Offer provides 3CE an opportunity to pick up additional RECs to avoid penalties while hedging against further project delays and reducing the PCIA obligation of its customers.

If 3CE receives awards from PG&E and SCE for all the submitted offers and the CEO exercises the delegation of authority granted herein, the fiscal impact will not exceed \$177,000,000 over the term required by the IOUs, expected to be a minimum of ten years and up to 20 years.

Once they purchase these contracts, how will customer rates be impacted? Is this \$177 million in their Budget projections?

LAST WEEK'S HIGHLIGHTS

Board of Supervisors Meeting of Tuesday, April 4, 2023 (Completed)

Item 6 - Consideration and introduction of three ordinances each of which repeal the Supervisorial District boundaries established by Ordinance No. 3467 which was adopted at the end of the County's 2021 redistricting process and each of which propose new boundaries based on three previously considered maps commonly referred to as Map A, Map B, and the Chamber Map. Hearing date set for April 18, 2023. The Board approved

setting the hearing for Tuesday March 28, 2023 on a 3/2 vote with Supervisors Arnold and Peschong dissenting.

There were a substantial number of supporters and representatives of the victorious so-called County Citizens for Good Government and the League of Women Voters, who spoke of their victory and of course endorsed setting the public hearing to select a new set of district boundaries. There was considerable gloating as well as praise for the new Board leftist majority of Supervisors Gibson, Ortiz-Legg, and Paulding. Some of these speakers didn't look or smell any better than they did back in the 1960s. They have grown in arrogance.

There were also a number of speakers supporting the map, which was legally adopted in 2021.

Some of the leftist opposition and Supervisor Gibson mischaracterized various court actions, stating that the Court found the map adopted by the prior Board to be illegal in terms of the Fair Map Act. This is not true. One Judge in the proceeding when the plaintiffs sought an injunction, had stated that there was one cause of action (of 4) on which she thought the Plaintiffs would prevail if the case went to trial. The matter has never been tried, and no decision has ever been rendered because the new Board majority would not allow it. They settled the case in favor of their allies in the Democratic Party and SLO Progressives.

Supervisor Gibson won by 13 votes out of 23,431 and Supervisor Paulding won by 639 votes out of 20,899. They are jamming through their entire leftist agenda, even though these vote margins do not demonstrate a massive one-sided support for their policies. In fact, it is quite marginal. Any mistake or event could trigger a voter backlash. It is not as if they won by 70%. Yet they are behaving as if they have some sort of huge mandate.

The League of Women Voters (the other Plaintiff) has become a totally leftist shill instead of a good government reform organization. In SLO it seems to be made up of retired former government administrators.

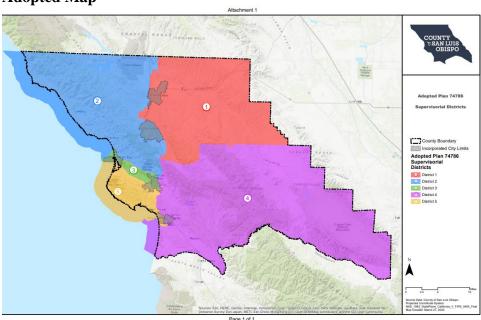
Background: This was a consent item to set the court settlement-required redistricting hearing and adoption for April 18, 2023. The new 3 Board majority determined to not defend the map that was originally adopted, as they believe that it gave the Republicans an advantage. Accordingly, they simply made a deal with their plaintiff buddies, had the Court remand the matter back to the Board of Supervisors, and paid the plaintiffs \$300,000.

Summary of Litigation and Settlement: On January 12, 2022, an organization called SLO County Citizens for Good Government and three other individuals filed a lawsuit in San Luis Obispo Superior Court challenging the validity of the Board's approval of the Adopted Map. The lawsuit alleged that the County violated the California Fair Maps Act, among other things. On June 17, 2022, the Court allowed the League of Women's Voters to join the lawsuit as an additional Petitioner. On January 26, 2022, Petitioners filed a motion with the court requesting the Court issue a Temporary Restraining Order asking the Court to temporarily invalidate the map for the upcoming 2022 election. The Court denied the motion on the basis that there would be "...[a] significant disruption...if the Court were to order the County to use a different map due to the impending deadlines faced by the Clerk Recorder for the June 2022 primary election." However, the Court did find that the Petitioners "...have established a reasonable probability of

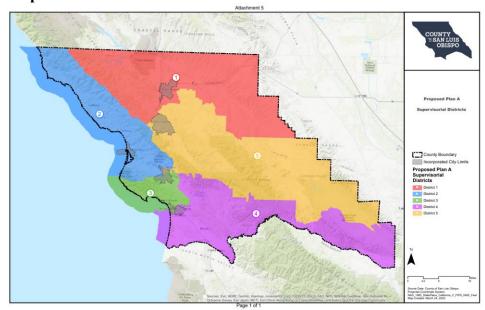
prevailing on their claim under [Elections Code § 21500] subdivision (d)." More exactly, the Court made a preliminary determination that the County Board should have considered the evidence in the record on political demographics and the effects when it approved the Adopted Map. The Court did not rule that the map per se violated the Fair Maps Act.

It is not clear at this point which map the Board majority favors. Nor is it clear if there are any citizens with the time and the money to fight the settlement and defend the adopted map.

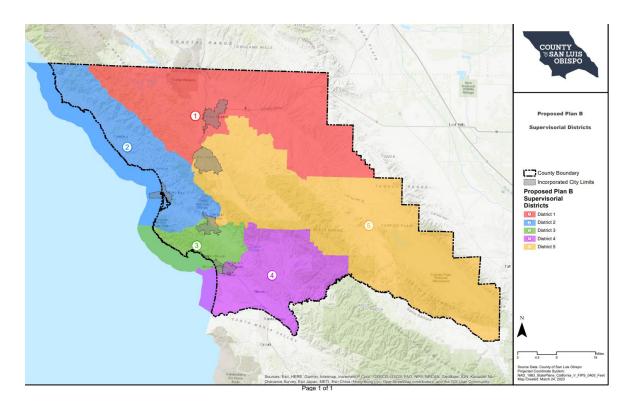
Adopted Map



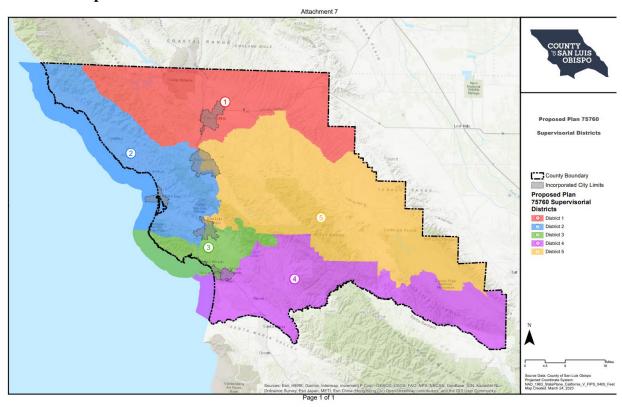
Map A



Map B



Chamber Map



Item 10 - Submittal of a resolution to establish an Agricultural/Livestock Pass (AG Pass) Program, in accordance with applicable law and the authorizing resolution of the Board of

Supervisors, for the purpose of issuing identification documents granting qualifying agricultural and livestock producers and managerial employees, at the discretion of emergency personnel, access to the qualifying agricultural and livestock producer's farm and ranch property during or following a natural disaster. The Resolution was approved on the consent calendar without opposition. State law now allows the counties to issue AG Passes to farmers, ranchers, and other agriculturalists, so that they can enter a disaster area to:

- 1. Protect or care for agricultural assets (such as irrigating crops or feeding, watering, and transporting livestock) and/or
- 2. Provide support information to emergency personnel (such as identifying access roads and water points).

The write-up summary states:

The passing of AB 1103 on October 7, 2021, imposed a duty on local jurisdictions with the option to establish an Ag Pass Program for the purpose of issuing identification documents granting any qualifying agricultural producer, or a managerial employee, access to the qualifying producer's ranch property, or to the ranch property owned by another holder of an AG Pass with permission, during a flood, storm, fire, earthquake, or other disaster. The purpose of creating a county-based Ag Pass Program is to provide a uniform way to identify vetted commercial farm and ranch owner-operators and their employees to firefighting personnel, California Highway Patrol officers, Sheriff's deputies and other law enforcement officers, and other emergency personnel for the purpose of allowing them access to their agricultural land. Possession of an Ag Pass during a wildfire or a similar disaster (or, "all-hazard" emergency) potentially allows the agriculturalist limited emergency access to areas that may otherwise be restricted to the public.

Item 11 - It is recommended that the Board of Supervisors approve the appointment of Anne R. Wyatt as the District 2 representative to the Planning Commission. This term serves at the pleasure of the Board. The matter was approved on the Consent Calendar unanimously. Supervisor Gibson made a short speech about the qualifications of Ms Wyatt. He promised that she would be a tremendous help in developing housing. Will it all be stack and pack?

Wyatt served as Gibson's Planning Commissioner back in 2007-2009. This was the heyday of the rein of the County's no-growth policy architect, Sarah Christie.

Information on her County application included:

Bachelors, Urban Studies/Planning (UCSD) Masters City & Regional Planning (CalPoly)

Affordable housing planning & development: Executive Director, Smart Share Housing Solutions, Inc.; Planning Consultant

Writer/housing policy: Planning Magazine: Regular Contributor

Policy: Board Member: Central Coast Commission for Senior Citizens, Area Agency for Aging; National Shared Housing Resource Center:

Casita Coalition; Friends of the Bob Jones Trail; Housing Trust Fund of San Luis Obispo County;

Appointed/Elected: Former planning commissioner; Former Advisory Council Chair; Cambria Parks Commission

List Membership to Organizations

BOD member: Casita Coalition; Friends of the Bob Jones Trail; Housing Trust Fund of San Luis Obispo County;

Central Coast Commission for Senior Citizens, Area Agency for Aging; National Shared Housing Resource Center:

Member SLO Housing Committees: HSOC Housing, Healthy Communities, Supportive Housing Consortium

Vice President, Friends of the Bob Jones Trail;

Item 29 - Hearing to: 1) consider a resolution acknowledging receipt of the California Coastal Commission's resolution of certification and accepting the California Coastal Commission's suggested modifications for the County's proposal to amend the Coastal Zone Land Use Ordinance (Title 23 of the San Luis Obispo County Code) as it relates to accessory dwelling units (ADUs); 2) receive and file a presentation on the County's Pre-Reviewed ADU Plans; and 3) receive and file a determination regarding the effect of State ADU Law on the County's ability to enforce conditions of approval and specific plan requirements that prohibit ADUs. The Board approved the direction from the Commission after some discussion led by Gibson, who routinely supports the Commission. He specifically noted that including the Coastal Commission's direction in the pending Los Osos Community Plan was the correct process. It was wryly noted by several public speakers that this would no doubt delay adoption of the Plan for 5 years. Planning promised the final Plan submittal in 9 months.

As noted in the title, this item contained 2 issues. One was the imposition by the Coastal Commission of requirements within the County's coastal zoning ordinance that would pretty much make it impossible for property owners to obtain a permit for an Additional Dwelling Unit (ADU) in Los Osos or Cambria. The other was the adoption of predesigned plans, which when used by applicants, could expedite permit approval for an ADU.

1. The Commission told the County not to include its updated ADU provisions in the Coastal Zoning Ordinance, but instead to include something in the endless and pending Los Osos Community Plan Update. Although Cambria is not in Los Osos, the same provisions that are incorporated for Los Osos would be used in Cambria.

The matter is another example of the totally unaccountable Coastal Commission staff interfering with local control. The staff report states that the Commission "suggested" the process, but if the Board of Supervisors doesn't accept the "suggestions," the Commission won't certify the ADU amendments in the Coastal zoning ordinance. This would mean that no ADU could be built anywhere in the Coastal Zone. The whole matter had been continued for a year, during which the Commission staff and the County staff supposedly negotiated on the issue. You are paying for these costs with your taxes.

2. The second part of the item sets up some predesigned ADU packages, which will supposedly allow applicants a faster and easier process.

These pre-reviewed plans consist of three architectural designs and six floor plans, with sizes ranging from 196 square feet to 1,200 square feet, including adaptable baths and loft options. Each size is named after a native plant found specifically in the County. The chart below highlights the six available site plans.

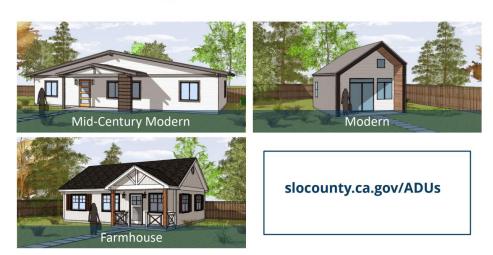
Floor Plan Name	ADU Size	ADU Bedroom Count	Key Attributes	
The Blueblossom	1,200 square feet	Four bedrooms	Adaptable bath	
The Manzanita	749 square feet	Three bedrooms	No impact fees*	
The Manzanita (narrow)	749 square feet (narrow)	Three bedrooms	No impact fees*; Adaptable	
			bath	
The Sage	400 square feet	Two bedrooms	No impact fees*; loft	
The Sage (narrow)	400 square feet (narrow)	Two bedrooms	No impact fees*; loft	
The Yucca	196 square feet	One bedroom	No impact fees*; loft	

^{*}Impact fees means public facilities fees and road impact fees

One question is: Will the County require all the bedrooms, or could you have a Blueblossom with 2 bedrooms and a larger family area? Or is the idea to force more bedrooms? The whole sad story is summed up by the fact that our situation is so distressed that the Yucca, 196 square feet, is now considered a home. Realize that some of the beds at the Madonna Inn are larger.

Pre-Reviewed ADU Program

Three architectural designs



The Blueblossom - 1,200 sq. ft. - 4 Bedrooms



Item 30 - Hearing to rescind Local Campaign Finance Contribution Limits, Ordinance No. 3429. After an extensive hearing, including public comment, the Board rescinded the current ordinance and approved the new ordinance limiting individual contributions to \$5,500. The League of Women Voters, Democratic Party leadership, and gnarly activists presented gloating and arrogant support for the change.

This is a wolf in sheep's clothing, which will give the progressive Dems a huge funding advantage through independent campaign committees, as noted below. Government unions are also exempt. Gibson and company excused themselves, stating that this was as much as they could do under current State law, as if it was a first step.

Will they accept contributions from independent expenditure committees which will help them in the future? Will they voluntarily limit their campaign contributions from the unions to \$5,500 per union in the future?

Background: The purpose of the Hearing was to adopt an ordinance that limits individual campaign contributions to \$5,500. This is a trick to limit donations to campaigns for conservatives, because it does not limit the amount from independent campaign committees.

An **independent expenditure** is money spent on political advertising in support of or against a particular candidate. An independent expenditure comes from outside a candidate's own election organization and is not coordinated with a particular candidate's campaign, authorized candidate committee or political party committee. Generally, there is no limit placed on independent expenditures.

Individuals, political committees, <u>Super PACs</u>, qualified nonprofit corporations (such as <u>501(c)(4)</u>'s) and, since <u>Citizens United v. Federal Election Commission</u>, corporations and <u>labor unions</u> are permitted to make independent expenditures. Corporations, labor organizations and individuals or businesses with federal government contracts, however, may not make independent expenditures.

Generally, independent expenditures must identify the person paying for the advertisement. <u>Political action committees</u> and other persons have specific reporting requirements associated with independent expenditures. There are no limits on the amount an individual or group may spend on independent expenditures. [2][3]

These contributions will simply come another way. For example, any of these could come from an independent campaign committee in the future. What good is the limitation?

	IBEW PAC Educational Fund52-2257109 Washington, DC 20001	□IND □COM ☑OTH □PTY □SCC	2,500.00	7,500.00		
08/28/2022	Democrats of San Luis Obispo Club (ID# 1397816) San Luis Obispo, CA 93401	□IND IND IND IND IND IND IND IND	10,38	5.00 24,68	5.00	

09/07/2022	Small Contributor Committee (ID# 870169) Camarillo, CA 93012	☐IND ☐COM ☐OTH ☐PTY ☑SCC	10,000.00		
09/19/2022	Central Coast Labor Council Political Action Committee (ID# 890222) Long Beach, CA 90802	□IND ICOM □OTH □PTY □SCC	2,500.00	4,500.00	

Item 31 Closed Session: PERSONNEL (Government Code section 54957.) It is the intention of the Board to meet in closed session to: (18) Consider Public Employee Appointment for the Position of County Administrative Officer. After Closed Session, the County Counsel reported that the Board took no reportable action. Later and after the Cal Coast News filed a public records request, it was learned that the CAO is to receive 6 month's severance (\$146,000) and had to sign some sort of non-disclosure agreement.

The Board could have taken any a number of possible actions:

- 1. Appoint a permanent CAO who could be waiting in the wings.
- 2. Appoint an interim CAO. The logical choice would be the current Assistant CAO Rebecca Campbell. Campbell is a local government professional with significant credentials and experience.
- 3. Let the matter ride. Wade Horton does not leave until May.
- 4. Decide on the terms and conditions for a recruitment. Matters such as education, experience, past successes, pay, etc. could be discussed. Would the recruitment be national or limited to California?
- 5. Will the County HR Department conduct the recruitment or will they hire a professional recruiting firm?
- 6. Some combination of the above.

One thing for sure is that they really need to update their ordinance on the qualifications, duties, and powers of the CAO in the meantime. It is a very weak ordinance, which promotes much of the slow tedious processing and Board micro-management in the County.

See the excerpts from the County News Release when Campbell was appointed:

Rebecca Campbell started her new role as our Assistant County Administrative Officer in late June 2021. Ms. Campbell has worked for the County of Kings since 2005, where she served as both the Assistant CAO and most recently as the CAO, since 2017. In this role, Ms. Campbell manages the day-to-day operations of all County functions and activities, which fall under the jurisdiction of the Board of Supervisors, including management of a \$443 Million budget. During her time with Kings County, Ms. Campbell's significant accomplishments included successfully bringing in more than \$100 Million in competitive construction grants and

managing those projects and negotiating a multitude of diverse contracts. That includes her most recent 25-year Intergovernmental Agreement with the Tachi-Yokut Tribe of the Santa Rosa Rancheria Indians. She also led the county during the longest period of growth, including her direct involvement in increasing the County's credit rating from an A- to an A.

She has served as an influential member of professional organizations, including Secretary/ Treasurer of the Statewide California Association of County Executives Organization, Chairperson of the California Statewide Interoperability Executive Committee Central Planning

Area, Committee Member of the Pioneer Elementary School Site Council, and Rotary.



Prior to working for the County of Kings, Ms. Campbell served ten years in the United States Navy as an Electronics Technician, and, while stationed in Keflavik, Iceland, she led the building and relocation of a North Atlantic communications facility. She also served as a Career Counselor to assist sailors with their career paths. Ms. Campbell was named Navy Sailor of the Year in 2001, and received multiple medals for her outstanding service. Ms. Campbell has a Master's Degree in Business Administration.

Item 32 - Request to receive and file a presentation on impacts to the community and the Department of Social Services due to programmatic changes and the unwinding of the Public Health Emergency. The Board heard the report and did not seem to react immediately. There was no cry of "Oh no. Tell us how much more staff you need." They did praise the staff for working so well and hard. This seemed a bit hypocritical after having the head staffer of the County, the CAO, resign the week before.

Background: Apparently the State is further complicating the administration of the 3 large public assistance programs (CalWORKs (welfare), Cal Fresh (food stamps - now credit cards), and Medi-CAL (paying for medical care for the indigent). The item details the arcana of the process and requirement changes. According to the report, the changes are occurring as processes implemented during the "COVID emergency" are being dismantled.

The presentation continues along the theme that the changes will decrease the level of benefits in some cases. They will also increase the staff workloads in the 3 programs. Interestingly, the narrative does not contain increased cost and staffing projections, which will likely be asserted at some point to manage the impacts. It is possible that this is a preview of coming attractions. Once the Board has absorbed the information, staff could return with a second round to seek more funding. It is not known if the State contemplates backfilling funding for the impacts to counties, which are the retailors of these State/Federal programs.

Some sample statements: CalFresh caseloads have grown by 50% in the last three years. Outreach efforts have continued with coordination with the CalFresh Alliance and the Food Bank who has been a great partner in focusing on outreach efforts.

Effective January 2023, a new requirement to screen all Medi-Cal applications and annual

Under normal circumstances, non-exempt adult participants were required to participate in Welfare to Work, a training and employment program. During the PHE, CalWORKs participants were given a good cause waiver allowing participants to be exempt from participating in the Welfare to Work program due the PHE. This waiver will be expiring effective May 2023. The DSS will have 60 days to reengage participants to participate in the Welfare to Work program. Toward this effort, DSS Participant Services staff have begun taking steps to engage the current number of 674 Welfare to Work participants.

Renewals for potential eligibility to CalFresh went into effect. This is a great strategy to continue to increase CalFresh participation but will increase the workload of DSS Participant Services staff.

In other words, much of the additional spending established in the name of the COVID emergency will never go away.

The generic state expands relentlessly in the name of helping poor people, yet it has only become increasingly worse since the 1960s.

San Luis Obispo Council of Governments (SLOCOG) special meeting of Wednesday, April 5, 2023 (Completed)

Item D-1: Vehicle Miles Traveled (VMT) Mitigation Program Request for Proposals.

The Board, except for Commissioner Arnold, approved the request for proposals while making it clear that some opposed the VMT in principle. They see the consultant working on alternatives to the VMT that could be proffered to the State. Arnold correctly pointed out that their job is to resist the concept. The staff pointed out that they will have the opportunity to register opposition in their Legislation Program update. There was considerable discussion of the issue. The tourism industry is very concerned, as are farmers and rural residents.

Proponents argue that with the switchover to all electric vehicles taxes on motor fuels will cease and there will be no dedicated funding for roads, bridges, related maintenance, and new construction. Therefore, they reason that a vehicle miles tax must be substituted. The problem is that this ups the ante of State control, as electric energy is distributed centrally by highly controlled utilities and now government agencies (the community choice aggregators). This will provide government with the ability to regulate freedom of movement centrally. Remember last summer when the State directed people to stop charging their vehicles. They could also throw the switch in an area or Statewide.

The SLOCOG Executive Director attempted to analogize the gas tax with VMT, stating that it was in effect a limit on miles traveled by cost – in the same way as a statutory limit. This is of course false reasoning. In the end vehicles could be required to have a transmitter tied into the odometer, which transmits the data to the DMV. If you exceeded your State mandated quota, they could fine you or worse. This is not the same as making a private decision about how much driving to do and where to go versus spending more on gas or other goods and services.

This is disturbing line of thinking, which betrays the SLOCOG staff's total lack of understanding of the issue.

Remember also that VMT is a component of the larger planning to limit freedom in the name of climate change.

Smart City Development

- 1. **Surveillance**. Monitor people using biometric facial scanning, geo-spatial tracking, financial data, social media, etc. A population that is surveilled can be easily controlled.
- 2. **Transportation**. Force people out of private vehicles into shared public transportation such as scooters, bicycles, buses, light rail, etc. Without private transportation, they are locked into the city and out of the rural area.
- 3. **Data**. Collect real-time data from the Internet of Everything (IoE). IoE is an expansion of the Internet of Things concept to include people as well.
- 4. **Control.** Social engineering is always leading the thought process of Smart City development. However, unlike elected political representatives, the social engineers are always self-appointed Technocrats who decide what citizens should or should not do, where citizens should or should not go, with whom citizens should or should not associate, etc.

Background: The Board letter updated the staff's efforts to prepare for ultimate State mandates imposing VMT.

In 2022, SLOCOG and APCD were awarded a Caltrans Sustainable Transportation Planning Grantof\$296,000to create a regional VMT Mitigation Program framework, a Quick Response Tool for developers to estimate project related VMT impacts, and a prioritization methodology for VMT mitigation projects. The VMTMitigation Program will provide the SLO Region with uniform approach to accomplish state and local climate goals and create an avenue to fund VMT reducing projects

It appears that the SLOCOG Board and staff may be attempting to find some ways around the mandates on the grounds that the County is rural to suburban and residents must drive more than city dwellers.

SLO County is rural with urban pockets distant from one another. The configuration of land uses and densities varies considerably across the region. As a result of geography and population, SLO County has limited feasible mitigation options for project sites. Feasibility in environmental review takes into consideration time, economic, environmental, legal, social, and technological factors. Creating VMT bank or exchange program offers a path to overcome the limitation of project-site only mitigation. This effort requires additional expertise which is outlined in the attached RFP. The RFP includes eight main tasks:

- 1.CRITERIA DEVELOPMENT-The consultant will develop a series of criteria to evaluate potential mitigation framework options.
- 2.FRAMEWORK OPTIONS-The consultant will develop at least two VMT mitigation framework options

- 3.CASE STUDIES-The consultant will conduct and evaluate case studies to test the proposed VMTMitigation Program.
- 4.QUICK RESPONSE TOOL (QRT)-The consultant will develop a Quick Response Tool (QRT) in the form of an online mapping tool that will allow developers and the public to more easily estimate project created VMT
- .5.FEEDBACK SESSIONS-The consultant will be prepared to attend at least six (6) steering committee meetings.
- 6.ADMINISTRATIVE DRAFT-The consultant will prepare an Administrative Draft VMT Mitigation Program that incorporates the direction of the Steering Committee and feedback from any public engagement
- 7.TECHNICAL JUSTIFICATION-The consultant will prepare a Technical Justification document that provides a formal essential nexus analysis between the program and legitimate government purposes required by CEQA and the Mitigation Fee Act
- .8.FINAL DRAFT VMT MITIGATION PROGRAM REPORT-The consultant will submit a Final Draft VMT Mitigation Program Report including next steps to fully implement the program.9.BOARD PRESENTATIONS-The consultant will be prepared to present to the SLOCOG Board .

Obviously, the poor citizens have no idea that this jargon-filled analysis is going on or whether it will be capable of defending us from the State. The city and County representatives on SLOCOG do not agendize important issues at their own meetings for policy clearance before they vote on them at the SLOCOG meeting.

In the end, the social and legal ramifications of restricting citizens' freedom of movement is a major policy concern.

Non-Agenda Matter: There was no discussion of a future sales tax for transportation push in the agenda materials. The problem is that Gibson or Paulding could bring it up and ask that it be placed on a future agenda. When this occurs, the conservatives should demand a vote on any such motion to smoke out where everyone stands.

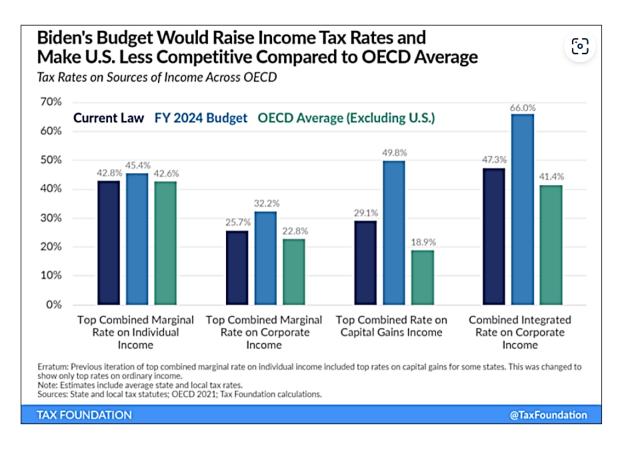


EMERGENT ISSUES

Item 1 - Biden Tax: Steve Hayward Powerline of April 6, 2023.

Chaser—The Tax Foundation notes that if Biden's proposed tax increases in his current budget were enacted, the U.S. would have the highest income tax burden of any OECD¹ country:

See the chart on the next page below:



¹ The **Organisation for Economic Co-operation and Development** (**OECD**; <u>French</u>: *Organisation de coopération et de développement économiques*, *OCDE*) is an <u>intergovernmental organisation</u> with 38 member countries, ^{[1][4]} founded in 1961 to stimulate economic progress and world trade. It is a <u>forum</u> whose member countries describe themselves as committed to <u>democracy</u> and the <u>market economy</u>, providing a platform to compare policy experiences, seek answers to common problems, identify good practices, and coordinate domestic and international policies of its members.

The majority of OECD members are high-income economies with a very high Human Development Index (HDI), and are regarded as developed countries. Their collective population is 1.38 billion. As of 2017, the OECD member countries collectively comprised 62.2% of global nominal GDP (US\$49.6 trillion) and 42.8% of global GDP (Int\$54.2 trillion) at purchasing power parity. The OECD is an official United Nations observer.

Steve Hayward is a national columnist and UC Berkeley's token conservative Political Science Professor. He lives in San Luis Obispo County.

COLAB IN DEPTH

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

HOW CLIMATE ALARMISM KILLED REAL ENVIRONMENTALISM

Many of the environmental problems confronting the planet have nothing to do with CO2 emissions and, in many cases, are worsened by misguided steps being taken to curb CO2 emissions

BY EDWARD RING

The environmentalist movement is a political weapon. It unites the most powerful special interests in the world behind an agenda that will further centralize power and wealth, eliminate any hope of financial independence for the vast majority of people, and transition previously free and independent nations into managed, sham democracies that have lost their sovereign agency.

The overwhelming theme of environmentalism today, designed to obscure its true agenda, is the alleged "climate crisis."

Americans may or may not eventually muster the impertinence to successfully challenge the political power grab masquerading as environmentalism today. But either way, its centerpiece, the "climate crisis," is responsible for devastating harm both to what was once a legitimate environmentalist movement, as well as to the environment itself.

Policies ostensibly designed to manage the planet's climate are taking attention and resources away from genuine environmental threats. At the same time, a growing percentage of people are recognizing the fraudulent essence of the "climate crisis" agenda and, as a result, are becoming indifferent to legitimate environmental concerns.

This is a tragedy. While crooked billionaires bleat incessantly about how "the planet has a fever" and grasp additional billions for their cronies in the businesses of renewable energy and "carbon credits," we fail to address truly important environmental problems. Compared to "overheating oceans" and "burning continents," however, these problems lack sex appeal.

Here are just a few of the environmental disasters in progress that nobody talks about either because they're making too much money pushing the climate change scam, or because they're thoroughly disgusted with the climate change scam and disregard *all* environmentalist concerns.

- 1) Loss of Insect Population: By some estimates, and for reasons we don't yet adequately understand, the total insect mass on Earth is dropping by an estimated 2.5 percent per year, faster than any other endangered species. This is an existential threat. Insects pollinate many vital food crops. They play a critical role in consuming decomposing animals and plants. They are an essential link in the food chain, the glue that connects microorganisms to smaller predators. Wind turbine blades are a mass killer of insects. Whatever else is killing insects, it won't stop because we banned fossil fuels.
- 2) Aquatic Dead Zones: While criticism has been appropriately directed at unjustifiable <u>attempts</u> to shut down farms that use fertilizers derived from nitrogen and phosphorus, the problems posed by these compounds cannot be ignored. But the consequences of overloading waterways with nutrient runoff, either from flood irrigation, dairy and cattle manure, or insufficiently treated urban wastewater, have relatively little to do with "climate change." Instead, the problem is that nutrient-rich waterways nourish <u>overgrowth of algae</u>, which produce deadly toxins that kill fish *en masse* and create massive aquatic dead zones. A rational approach to this challenge would be to stop connecting it to climate change, which is a stretch at best, and instead develop <u>precision irrigation</u> and <u>fertilizing methods</u>, as well as adaptive reuse of effluent from livestock and humans.
- 3) Overfishing: The overfishing of the oceans is another environmental catastrophe in the making that has nothing to do with climate change. Banning incandescent light bulbs will do nothing to stop illegal fishing trawlers from strip-mining the oceans with drift nets that can be over 30 miles long. Cramming humanity into small apartments will not prevent factory ships from clearcutting the floor of the continental shelf with weighted nets that scoop up every living organism. Anyone who thinks humanity hasn't by now acquired the capacity to extract every scrap of living protein out of the oceans isn't paying attention. Rational solutions are to enforce fishing quotas, and encourage industrial aquaculture onshore and in coastal waters.
- 4) Energy Security in Developing Nations: One of the many ironic results of the climate alarmist war on fossil fuel is the inability of equatorial African nations to achieve energy security, which is a prerequisite to prosperity, which, in turn, causes population stabilization. Instead of having energy security, these burgeoning, desperately poor populations are stripping the forests of wood for fuel and wildlife for food. The primary threat to wilderness and wildlife on Earth today is not "climate change." It is that climate alarm has inspired the international community to do everything in its power to deny prosperity to the poverty-stricken populations living in proximity to the world's great tropical forests.
- 5) The Biofuel Disaster: Which brings us to biofuel, an example not only of an environmental catastrophe that is ignored in favor of climate alarm, but an environmental catastrophe explicitly *caused* by climate alarm. Over 500,000 square miles are now given over to biofuel monocultures, most of them saturated in chemical fertilizers, pesticides, and herbicides, most of them replacing what previously were tropical rainforests. In exchange for this devastation, biofuel produces less than 2 percent of global transportation fuel.
- 6) Massive Oceanic Garbage Patches: In the Central Pacific Ocean, a body of water larger in area than every continent on Earth put together, there is a <u>concentration of floating</u>

garbage spread over nearly 8 million square miles. It is the largest of several massive concentrations of plastic waste, contaminating literally every living oceanic organism from plankton to whales.

The <u>plastic-spewing superpower</u> these days is the Philippines. With less than 2 percent of the world's population, this island nation produces nearly one-third of the estimated 1 million tons of plastic dumped into the ocean every year. The solution is to develop <u>more sanitary landfills</u>, implement new and more effective methods to <u>reprocess plastic waste</u>, and where possible, invent <u>substitutes to plastic</u>. But "climate change" has nothing to do with this problem.

7) Population Crash: The <u>population crash</u> currently afflicting every developed nation on earth may be good news for those environmentalists who have succumbed to misanthropic nihilism, but for the rest of us, it's possibly the biggest catastrophe of all.

The crash is usually attributed to cultural and economic causes, but environmental factors may play a direct and indirect role. Humans today ingest increasing levels of chemical endocrine disruptors unknown a century ago, present in everything from the air, water, and food, to fabrics and cosmetics, harming health and fertility. They are not only a direct physical cause of declining birth rates through lowered fertility, they may also cause behavioral changes that indirectly lower birth rates. Endocrine disruptors should be removed from the environment and avoided in the meantime. But carbon dioxide, the climate alarmist boogeyman, has nothing to do with endocrine disruption.

These are just some of the environmental problems confronting humanity and the planet that have nothing to do with CO2 emissions and, in many cases, are worsened by misguided steps being taken to curb CO2 emissions. By now, the fraudulent reality of "renewables" that aren't renewable is well documented, even if that fact receives scant attention in the mainstream press. But this additional fact—that the climate alarmist focus on achieving "net zero" is discrediting environmentalism at large, and taking attention away from other serious environmental threats—is perhaps the saddest chapter in the story of a movement that has lost its way.

Edward Ring is a senior fellow of the Center for American Greatness. He is also a contributing Editor to American Greatness. This article appeared in the April 5, 2023 City Journal.



STRANGLEHOLD BY SARAH F. ANZIA

California's local governments face a crisis of structural deficits. In cities and school districts across the state, spending growth outpaces revenue, forcing tax hikes and reduced services—from shortened library hours to fewer programs for students to slimmer public-safety workforces.

These reductions affect all residents, but especially those most in need of public services. One might expect that this fact would prompt cries for reform in a deeply liberal state. But they don't, in part *because* this is a deeply liberal state. California's blue-state brand of state and local politics, in which public-sector unions play an inordinately powerful role, creates a difficult bind for local officials.

To tackle the problem is to enter a political minefield. Growth in compensation spending—especially retirement costs, including pensions and retiree health care—is the main driver of the deficits. Yet public-sector unions have strong <u>vested interests</u> in maintaining those costs, and they're among the most active groups in California local politics. They provide key endorsements and campaign funds in local elections. They sit opposite governing officials at the bargaining table, negotiating compensation and other work matters. And they can show up in force to city council and school board meetings to protect their interests. California's local governing boards, then, are hemmed in on all sides. Most of the politically expedient ways of dealing with the union pressure and budget dilemmas, such as offering more generous retirement benefits, are no longer feasible. Yet local officials who talk frankly about these issues and take hard votes face swift backlash and endanger their own political futures. So local governing boards continue to try to weave and dodge, even when it means barreling toward insolvency. This fiscal-political mix is toxic enough to raise questions about whether some local governments can continue to govern.

It's only a small exaggeration to say that local government *is* local-government employees. Local governments are responsible for such vital services as public safety, education, libraries, parks, water, sewers, and trash collection. Providing these services means compensating employees for doing this important work.

Employee compensation thus occupies a large share of the typical local-government budget. In the working-class city of Richmond, for example, roughly <u>74 percent</u> of the city's expenditures in 2021–22 went to salaries, wages, and benefits. Further north, in Humboldt County, <u>72 percent</u> of the expenditures of tiny Loleta Union Elementary School District went to employee compensation that same year.

Further, large shares of local-government employees work in occupations traditionally deemed essential. The police and fire departments account for <u>62 percent</u> of general-fund expenses in Torrance, a city of about 150,000 in Los Angeles County. In El Cerrito, a small, fiscally troubled city in the Bay Area, <u>over half</u> the city's expenditures go to police- and fire-department salaries and benefits. In the average California school district, 43 percent of the employees are teachers.

California local governments also have limited options for raising more revenue. Property taxes are tightly constrained by Proposition 13. Increases to other local taxes require voter approval, sometimes by supermajorities. Cities' and counties' sales- and use-tax rates are also capped by the state, with many already at the maximum. The difficulty of increasing revenue thus forces most local governments to contemplate spending cuts. For many, reducing spending means not only eliminating popular programs but also trimming basic services.

Joe Lopez, city manager of Modesto, recently <u>said</u> that his Central Valley city of roughly 218,000 had reached a critical point after years of balancing its budget by reducing positions, relying on one-time funds, and deferring maintenance. Threatened with more drastic service cuts, city voters approved a 1 percent sales-tax increase last November, which promises to add \$39 million to the city's \$171.4 million general fund. That helps, but it won't cover the city's needs. At 210 officers, Modesto's police department has 77 fewer cops today than it did before the Great Recession, and the city <u>reports</u> that its 76 parks require a combined \$74 million in deferred maintenance.

Eighty miles west, in Oakland, new mayor Sheng Thao campaigned on a promise of a hiring blitz but now leads a city with a general-fund deficit of more than \$200 million over the next two years. Documenting the city's needs, from 911 dispatchers to homelessness services, Ed Gerber, former chairman of the city's budget advisory commission, <u>describes</u> the situation as "a terrible conundrum" and notes that making "priority decisions in a world of necessary services and inadequate resources . . . will be incredibly difficult."

Why have public-employee costs risen more than local-government revenues? Some observers blame the rising cost of living, or events such as the Great Recession and the pandemic. But a full explanation requires understanding the dynamics of local politics in California—and how governing officials' old ways of handling ordinary political pressures helped generate the present quandary.

The influence of public-employee unions is paramount in local budget politics. Like many other states, California passed laws in the 1960s and 1970s that required state and local government officials to engage in collective bargaining with their employees, should they form unions. Most did, and public-sector union membership in the state grew rapidly. Today, Golden State unions of teachers, police officers, firefighters, and other workers are well organized and highly engaged in state and local politics. In city and school board elections, they endorse candidates, mobilize supporters, contribute money to politicians, and campaign for or against ballot measures.

In virtually every local government throughout the state, they play a direct role in negotiating the terms of their members' employment, including compensation. Local officials are legally required to come to agreements with them every few years, and for some groups of employees, impasses can lead to strikes—which, for the public, mean costly and unpopular breaks in service provision.

Local candidates and officials are loath to upset public unions. Many were helped into their positions with union support or recruited by unions outright. Not being accommodating can

mean facing a union-backed challenger in the next election. <u>Union-endorsed</u> candidates in California have high <u>electoral success rates</u>.

But governing is different from campaigning. During campaigns, candidates can promise more staff, better pay, and better services. Once they're governing, however, they must manage a budget, keep spending in line with revenue, and ensure that services work. This pulls them in different directions. The people who ensure that services keep humming—the employees—push for staffing and pay boosts, but it's precisely these employee costs that constitute the bulk of local-government spending. Large or frequent expansions in staffing and compensation can threaten a government's balance sheet.

For years, many local officials solved this puzzle by raising public-employee compensation in the form of fringe benefits. Since salary increases show up on the budget right away, it seemed <u>cheaper and easier</u> to give local employees generous health benefits. Fast-forward a few decades: health insurance is anything but cheap, but unions resist rolling back the benefits that members have long enjoyed. Consider Sacramento City Unified School District (SCUSD).

Decades ago, the district committed to paying 100 percent of the health-insurance premiums for teachers, most other government employees, and their dependents *for life*, including in retirement (when they'd be eligible for Medicare). In the 1990s, the district also put a specific health-insurance plan into the contract, sometimes referred to as a Cadillac plan because of its price tag. These health-care commitments later became a massive challenge for the district's budget. By one estimate, SCUSD spends <u>22 percent</u> of its budget on non-pension employee benefits; most of that is health care.

A similar move contributed to Stockton's bankruptcy in 2012. There, in 1996, city officials agreed to pay the full cost of firefighters' health care in retirement, believing that doing so would be easier and less expensive than granting the salary increase that the union was requesting. When other city employees wanted that same provision, they got it. Decisions like this greased the wheels for negotiations, helped the city and its unions reach agreements, boosted police recruitment and retention—and left the city with a \$\frac{\$417\$ million}{\$170\$ liability.}

This pattern is visible beyond California. In a study that I conducted with political scientist Terry Moe, we examined more than 1,000 cities across the country between 1992 and 2010, comparing those that required collective bargaining for police officers and firefighters with those that did not. We found that cities with collective bargaining spent 4 percent to 9 percent more per capita on those employees' salaries (including supplemental forms of pay, such as overtime), but they spent 17 percent to 25 percent more per capita on health-, hospital-, disability-, and life-insurance benefits.

Pensions are another whopper for just about every California local government. As in other states, California local-government workers are eligible for defined-benefit pensions. Most local governments participate in the major state-run pension funds, CalPERS and CalSTRS, though some local governments run their own. The funding for the benefits comes from employer and employee contributions, along with investment income: the funds invest these contributions, and the resulting pot of money pays benefits to retirees. Yet a series of bad decisions over the years has resulted in a catastrophic scenario for California's local governments.

First, in 1999, <u>state legislation</u> let local governments expand pension benefits. As the economy boomed and pension-fund investments thrived, the legislature created an option for local governments to improve the benefit structure for public-safety employees, to the tune of 3 percent of their final average salaries at a minimum retirement age of 50. Most local governments, eager to please employees, took the option. But while good economic times come and go, public pensions are forever. The so-called California Rule stipulates that public-pension benefits cannot be reduced over the course of a worker's employment without equivalent compensation, even for years that the employee has not yet worked. Once granted, those benefits were locked in.

Second, the state and its local governments have consistently contributed too little to their pension funds, so that today, CalPERS, CalSTRS, and many locally administered pension funds are short of the funds necessary to pay the benefits earned by employees. This, too, is a story deeply rooted in politics. Though the governing boards of the state's major pension funds have a fiduciary duty to the trust, they also have political incentives to keep contributions low. After all, the boards comprise political appointees, state officials, and employee and retiree representatives (often with strong union ties).

By <u>disguising</u> the cost of public pensions and keeping contributions low—usually by assuming that pension-fund investments will perform extremely well—they not only maintain the illusion that the benefits are affordable but also free up local government money for such purposes as salaries, health benefits, and more staff. This shortsighted policymaking is having devastating effects on government budgets.

In 2017, with some board members finally acknowledging the underfunding problem, CalPERS took a small step toward addressing the shortfall by <u>lowering</u> its expected rate-of-return assumption from 7.5 percent to 7 percent. The CalSTRS board did the same a month later. Many experts said that a larger change was needed. But even this minor alteration triggered big increases in participating governments' required contributions.

Funding ratios and investment-return assumptions can seem abstract, but the consequences for local governments are real and painful. In SCUSD, in 2013–14, the district paid \$457 per student in pension contributions. By 2019–20, it was paying \$1,200. Modesto's pension costs have doubled since 2011, going from \$20 million per year to \$40 million. Cities like Anaheim, West Covina, and Torrance are typical, with pension-contribution hikes of 44 percent, 41 percent, and 40 percent, respectively, over the period from 2019 to 2022. On pension underfunding and rising contributions, former Richmond mayor Tom Butt told the Los Angeles Times, "It's a huge mess. . . . I don't know how it's all going to get resolved. One of these days, it's just going to come crashing down."

Local officials must navigate the same maze that their predecessors did, but most of the old exits, such as sweetening pensions and health-care benefits, are closed off. Current escape hatches tend to include denial, debt, and patching structural budget holes with one-time funds.

Budget denialism is widespread, especially when it comes to pensions. "The truth is that there are cities all over the state that just aren't owning up to all their problems," San Bernardino's

former city manager, Mark Scott, told the *Los Angeles Times*. Local officials who do take steps to cut spending risk accusations of fabricating a crisis, as in SCUSD, where a labor representative called the district's situation a "phony budget crisis."

The debt strategy takes the form of pension-obligation bonds. A government issues bonds, uses the revenue to pay its pension contributions, and then hopes that the return on investment of those funds will exceed the interest rates that it's paying on the bonds. At best, this gambit is risky; at worst, it's <u>irresponsible</u>. It has backfired in spectacular fashion in several cities, including Stockton and Oakland. Political scientist Rod Kiewiet <u>calls</u> it "one of the most reckless of all budgetary ploys available." Yet many California local governments have taken this route. Examining the pension arrangements of 12 of California's largest county governments, I found ten with a history of issuing pension-obligation bonds.

Finally, of late, local governments have also relied on federal Covid-relief funds to help plug deficits. In Torrance, for example, in addition to <u>issuing bonds</u> in 2020 to pay down its CalPERS obligations, the city used \$12 million from the American Rescue Plan Act to help fill the \$16.8 million deficit in its general-fund operating budget in 2021–22.

Avoiding such approaches and actually doing something to address growth in employee-compensation costs is harder. Pension-contribution hikes are mostly out of local officials' control. Changes to salaries and health care must be negotiated with the employee unions and are major points of contention. Usually, disagreements between local officials and unions revolve around whether salaries are being boosted enough. Local officials will often agree to salary increases in order to avoid strikes and other unpleasantries, even when they don't know where the extra money will come from.

In 2017, for instance, SCUSD barely dodged a teachers' strike by agreeing to salary increases and other changes funded via deficit spending, forcing \$15.6 million in spending cuts elsewhere. Five years later, it faced a strike anyway: its teachers and classified employees walked out for eight days over concerns about wages, understaffing, and benefits, including the future of the district's Cadillac health-care plan. Among the teachers' union arguments was that the district could afford its pay demands, thanks to the influx of federal Covid-relief funding. The district's response: one-time funds are just that, whereas salary raises will persist. Regardless, the eventual resolution to the dispute involved compensation increases that added \$16.1 million in ongoing costs.

True, unions' claims of lower staffing levels are not imagined. That's because with retirement costs rising and salaries growing, staffing reductions have been one of the only viable levers available to governing officials for controlling employment costs. Moreover, when reductions are done incrementally and in a way that doesn't directly affect current employees—keeping positions vacant, for example, or eliminating frozen positions—they can, for a time, avoid the ire of unions and residents.

"Staffing reductions have been one of the only viable levers available for controlling employment costs."

Even these reductions add up. Between 2008 and 2017, for instance, Richmond cut about 200 jobs, or 20 percent of its workforce. During the SCUSD strike last year, the vice president of SEIU 1021, which represents the district's classified employees, noted that the district was saving millions of dollars by leaving more than 500 positions vacant. And staffing reductions do translate into fewer services. Union City has <u>reduced</u> its library and community-center hours, closed an underused fire station, cut back park maintenance, and ended community policing services. In school districts, staffing reductions can mean fewer support employees for students and the loss of summer learning programs.

Furthermore, staffing reductions can stay under the political radar for only so long. If employment levels get low enough, or if reductions have to be made suddenly and in a way that affects current employees, the reaction is usually fierce.

A case in point is West Contra Costa Unified School District (WCCUSD), a Bay Area school district that serves roughly 27,000 students across Richmond, El Cerrito, Pinole, and San Pablo. The district's finances are in such poor shape that its interim chief business officer, Robert McEntire, has <u>said</u>, "We basically have to turn over every rock we can and say, 'What's 100 percent essential, legally required and benefits students?' And if it doesn't fit those criteria, can we stop doing it?"

To address the district's yawning deficit, the school board was asked in March 2022 to vote on a package of \$34.8 million in spending cuts. Part of that package was a <u>proposal</u> to end more than 93 full-time-equivalent teaching positions and 107 classified positions. The superintendent explained that this was reasonable, given the circumstances: along with the district's budget woes, an equity audit had <u>revealed</u> that some middle school and high school teachers had few students.

When staffing reductions mean layoffs, they don't go over well. Teachers, union leaders, and residents urged the board to keep the cuts away from classrooms. About 300 people attended the special board meeting in which the trustees were scheduled to debate and vote on the proposal. During the public comment period, speakers urged trustees to consider salary cuts to administrators and outside contractors instead of teacher reductions. McEntire's blunt response: "You could release every single management person in the central office, and you wouldn't get close to \$38 million."

The WCCUSD trustees voted down the proposal, three to two. The board later passed a 2022–23 <u>budget</u> of \$485.6 million that ran \$16 million into the red. In the fall, one of the two trustees who voted for the staff reductions came up for reelection and found herself facing a <u>union-backed</u> challenger. The county board of education, meantime, notified the district that it "is no longer fiscally healthy and is unable to meet its financial obligations."

While the county board's determination cited the district's "large multi-year structural deficit," it also noted another problem complicating fiscal challenges in school districts throughout California: "a history of declining enrollment while not reducing staffing to match." Declining public school enrollment isn't <u>limited</u> to California, but it is making things harder for districts already strapped for cash. State education funding is tied to enrollment, so lower enrollment

automatically means lower district revenue. Reducing staffing, however, is anything but automatic.

Oakland Unified School District, for example, <u>enrolled</u> 37,049 students in 2017–18 but only 34,446 in 2021–22. In February 2022, the district tried to implement its plan of closing or merging several underenrolled schools. The response? Widespread outrage. Two educators went on a <u>hunger strike</u>. Activists <u>occupied</u> a school. In a concession to end the hunger strike, the district lowered the number of schools flagged for closure. When the fall election brought new officials to the school board in January 2023, it reduced the number even further.

Staffing reductions have come for California's police departments, too. Some progressive city council members point eagerly to the cuts as <u>evidence</u> that they've defunded the police, but the more common sentiment is concern. In Stockton, where homicides were up more than <u>120</u> <u>percent</u> annually as of April 2022, the police department was down to <u>381 sworn officers</u> by last fall—more than 100 positions short of what the city considers "fully staffed." The city's police force has seen a wave of retirements. Nearby cities like Tracy actively work to recruit Stockton's officers. And in cities, as in school districts, these dynamics can cause a downward spiral: as staffing shrinks, the remaining workers get stretched thin, and recruitment and retention become harder.

Local officials seek new sources of revenue where they can, but options are limited and require voter approval via ballot measures. Getting the requisite voter buy-in usually requires a careful political dance: the ballot measures are typically framed as needed for maintaining popular services, presumably because more voters are willing to open their wallets for education and public safety than for shoring up pensions. Successful cases in recent years include Torrance, which increased its sales tax, and Union City, where voters approved a new tax on marijuana businesses. But passage of these tax increases is uncertain, and failure can leave local officials in a lurch. In fiscally troubled West Covina, for example, right after the city agreed to a 12 percent salary bump for its firefighters, the measure to increase the city's sales tax went down at the polls, leaving the funding source for the new spending undetermined.

California local governments are in a bind. Retirement costs are rising. Prospects for new revenue streams are few and uncertain. Viable options for controlling spending are limited.

Local governing boards are, ostensibly, elected to provide services to the public and keep budgets in balance. It's not clear that they can all do the job. Many local officials got into their positions with union backing. To have a good chance of staying there, they need to maintain that support—but that usually means leaving the compensation spigot open, even at the risk of insolvency.

Some local governments have managed to square this circle with successful tax measures. In Modesto, governing officials warned of drastic budget cuts in future years at the same June 2022 city council meeting that approved firefighter pay hikes costing \$1.4 million over two years. A sales-tax increase, passed in November, provides some respite.

Others are struggling to govern. WCCUSD, for example, could be insolvent next year. After the trustees voted down the proposal to close the deficit, the CEO of the California Fiscal Crisis and

Management Assistance Team had harsh words for the trustees: "Board members, you're not doing your job. . . . As trustees, you have a fiduciary duty to ensure that your financial condition is stable and is able to support your core mission for students. As the governing board, you are ultimately responsible."

Many local governments are choosing political self-interest over good governance. Californians should be worried, indeed, about the governing boards tasked with providing their key services. In the <u>words</u> of Union City's city manager, Joan Malloy: "At this point, it's truly a matter of public choice . . . regarding what type of community the residents want to have."

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THE "NET ZERO" DELUSIONS OF CALIFORNIA'S RULING CLASS BY EDWARD RING

Last week, I attended an event in downtown Sacramento produced by an industry trade association. One of the highlights of this event was a plenary session where a high ranking state politician addressed the crowd. The participants shall remain anonymous, because who they were doesn't matter. What was said, and how it was received, was generic and repeats itself everywhere. The elites that run California are *all* in the grip of a mass delusion.

The mantra that defines this delusion is "climate change" and the associated sound bites are predictable and uniform: "catastrophic wildfires," "extreme weather," "blistering heat," etc., all of which are evidence of the "climate emergency." To a skeptic, hearing the incessant, mindless repetition of these soundbites is terrifying, because the policies designed to supposedly cope with the climate emergency are going to destroy Western Civilization.

Therein lies the delusion, and describing this misanthropic folly only as delusion may be giving these policymakers too much credit. Because if it isn't delusion that impels our ruling class to dismantle and destroy conventional energy infrastructure with nothing remotely capable of replacing it, then it is corruption on a scale rarely seen in the history of the world, and a stupefying indifference to the consequences of that corruption.

Anyone who has watched how the politicians in Sacramento have used the "climate emergency" to overregulate *everything*, driving the prices for energy, water, housing and transportation to levels only the rich can afford, must struggle with cynicism. And so it is fair to wonder what was really going through the mind of this politician when asked, by a lone skeptic at the

aforementioned event, how on earth Californians expected to electrify the entire residential and transportation sectors while adhering to a goal of "net zero" carbon emissions.

Instead of displaying even a rudimentary grasp of the numbers, the politician conjured up an anecdote, describing how the state is encouraging investment in floating wind turbines, to be located 20 miles offshore, "taller than the Eiffel Tower," cabled to the continental shelf and capable of delivering massive quantities of electricity to homes and industry onshore.

This is a hideous, grotesquely impractical idea. Floating towers over 1,000 feet in height, with massive spinning blades to harvest wind no matter how harsh the storms may be, stabilized with cables anchored to the continental shelf more than 500 feet underwater. What could possibly go wrong?

But imagine that somehow these offshore turbines work as designed. Imagine that in spite of the paralytic permit environment and litigious hellscape that confronts any developer, these wind turbines somehow get built. How many of these monstrosities would we need?

As it is, the average draw on California's electricity grid is roughly <u>35 gigawatts</u>, 30 percent of which already has to be sourced from outside California. To electrify California's transportation and residential sectors, replacing petroleum and natural gas, generating capacity will need to *double*.

The biggest wind turbines being deployed on earth generate about 10 megawatts at full output. But even offshore where the trade winds blow more consistently than on land, these turbines are only going to have a "yield" of around 40 percent, and that's being generous. This means each installed turbine's average electricity generation over time is 4 megawatts. And that means to double California's electricity generating capacity, we would have to install nearly 10,000 of these Eiffel Towers off the California coast.

Delusional defenders of this epic scam may indignantly point out that there are other forms of renewable energy. They're right. Solar energy is the biggest ecologically acceptable alternative to wind energy. But bear in mind that to achieve "net zero," California's state legislature isn't merely going to need to double existing generating capacity, they're going to have to retire all of the natural gas fueled generating plants. If you include power coming in from out-of-state, natural gas fuels almost two-thirds of California's existing electricity consumption.

That means to achieve "net zero" with wind energy alone, over 15,000 gigantic floating wind turbines would be required. Onshore wind isn't nearly as practical. The turbines are not as big, the wind isn't as reliable. Solar farms can achieve results at scale, but with wintertime yields even in sunny California only averaging around 13 percent, finding another 60 gigawatts would require over 3,000 square miles of solar farms. We can't build single family dwellings anymore

because they take up too much space, but solar sprawl is ok. Let's not forget the high voltage lines to connect all these decentralized sources of energy, or the gigawatt-hours of required battery storage.

These are facts. There isn't a single competent engineer or financial accountant in the world that doesn't understand what "net zero" portends. In private conversations, invariably, they are incredulous. How can the entire ruling class of California — a state with the smartest, wealthiest, most innovative people on earth — be so stupid, or so corrupt? "Renewable" energy is not renewable. It relies on orders of magnitude more raw materials than conventional energy, most of it imported from nations with appalling records of environmental and labor abuse. It is expensive and inadequate, and can only lead to a widening of the gap between rich and poor.

That these facts are known leads to the most inexcusable corruption of all, the decision by energy companies and civil engineering firms to accept this delusion instead of fighting it with all the resources at their disposal. Instead of exposing the "net zero" goal as a misanthropic fraud and power grab, California's corporations, joined by their counterparts throughout the Western World, are opportunistically navigating a profitable path forward that embraces the delusion. Instead of promoting rational and practical policies to prosperously adapt to whatever comes our way, California's business elites are using scarcity and high prices to consolidate their power while impoverishing the masses.

Achieving "net zero" is a delusion. Until a politician is numerate enough, honest enough, and courageous enough to challenge the delusion, there is no hope. Until a wealthy individual or very large corporation decides to challenge the delusion, and use their financial resources to deprogram California's voters, there is no hope. Until there is hope, we can vote for nobody, and we can boycott everything. That, too, would be delusional.

Edward Ring is a contributing editor and senior fellow with the California Policy Center, which he co-founded in 2013 and served as its first president. He is the author of Fixing California: Abundance, Pragmatism, Optimism (2021) and The Abundance Choice: Our Fight for More Water in California (2022). This article originally appeared in the <u>California Globe</u>, April 5, 2023



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