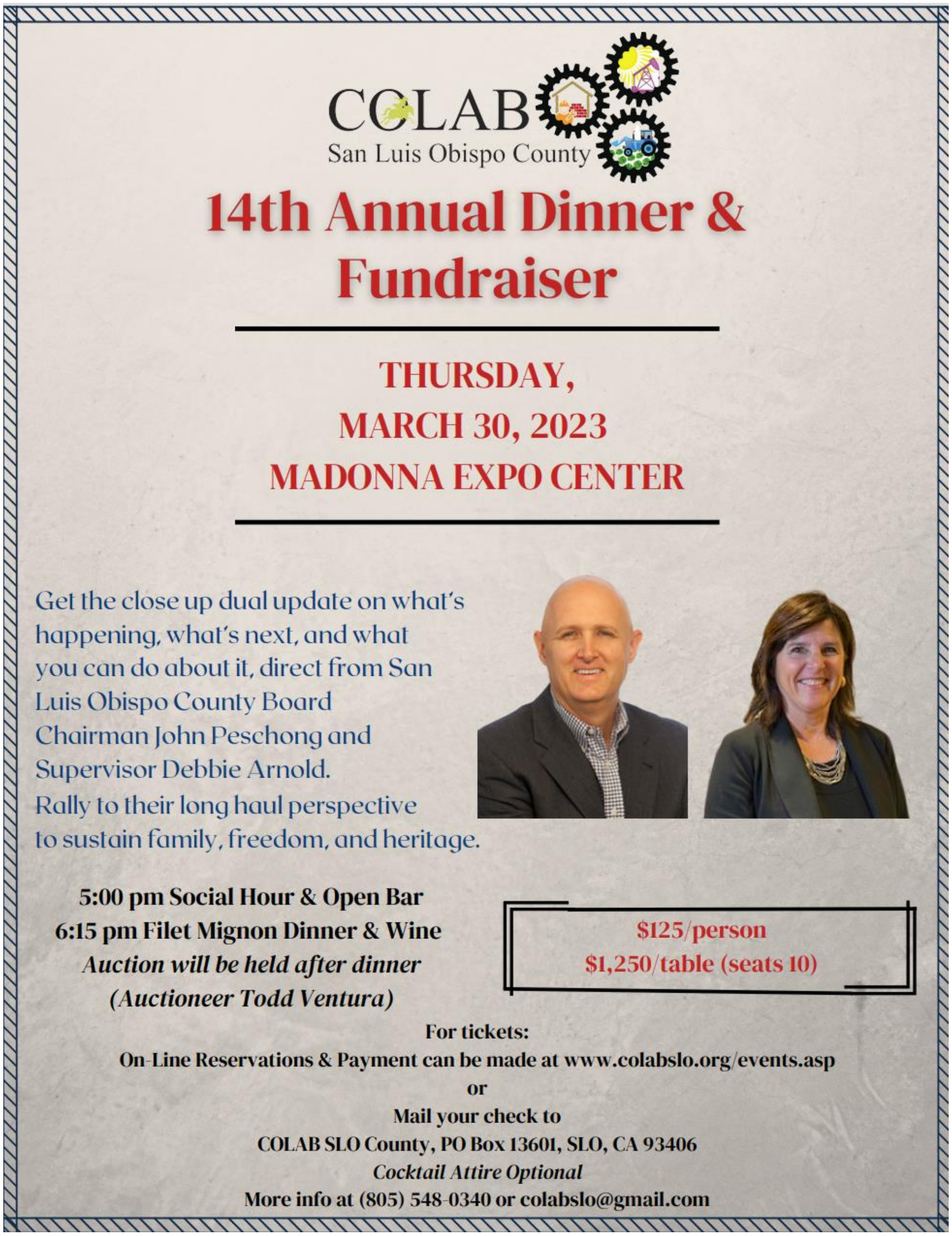
COLAB
San Luis Obispo County
The Coalition of Labor Agriculture and Business

WEEKLY UPDATE
FEBRUARY 26 - MARCH 4, 2023



THIS WEEK

PENSION TRUST HAS BETTER MONTH

BOARD OF SUPERVISORS MEETING

CAL POLY ECONOMIC DEVELOPMENT
HOTHOUSE CONTRACT RENEWAL

COUNTY ECONOMIC DEVELOPMENT IN GENERAL

REACH OF THE CENTRAL COAST'S COUNTY CONTRACT

REACH HIRES DEM PROGRESSIVE LEFT ACTIVIST TO RUN $5 MILLION PROJECT

IS IT POLITICAL PATRONAGE USING PUBLIC FUNDS OR JUST THE USUAL SLO COUNTY CRONYISM?

LAST WEEK

NO BOARD OF SUPERVISORS MEETING

PLANNING COMMISSION CANCELLED

OTHER AGENCIES DORMANT

EMERGENT ISSUES

COLAB IN DEPTH

SEE PAGE 19

IS IT DEI, IED OR DIE? YES, IT IS

STATE EMPLOYEE ACCUSES SLO COUNTY AIR DISTRICT OF QUID PRO QUO

THERE'S GOING TO BE HELL TO PAY

America is piling up civilization-ending debts, and the people incurring them for the sake of feel-good social priorities will be justifiably cursed when the consequences finally come.

BY ADAM MILL

SOCIAL SECURTY TRUST FUND

BY JOHN COCHRANE

THIS WEEK'S HIGHLIGHTS

ALL MEETINGS ARE AT 9:00 AM UNLESS OTHERWISE NOTED

LO Pension Trust Meeting of Monday, February 28, 2023 (Scheduled)

Item 6 - January 2023 Investment Report. During January, the markets recovered a little of what was lost last year. So far February has not been that great. The Trust will discuss rates to be charged to the County in May.

Agenda Item 11: Monthly Investment Report for January 2023

	January	**Year to Date 2023**		2022	2021	2020	2019	2018
Total Trust Investments ($ millions)	$1,665			$1,614 year end	$1,775 year end	$1,552 year end	$1,446 year end	$1,285 year end
Total Fund Return	3.6% Gross	**3.6%** Gross		-8.0% Gross	15.2% Gross	8.9 % Gross	16.3 % Gross	-3.2 % Gross
Policy Index Return (r)	3.7%	3.7%		-9.7%	12.8%	10.0 %	16.4 %	-3.2 %

(r) Policy index as of Nov. 2021 Strategic Asset Allocation Policy with 2023 Interim targets:
Public Mkt Equity- 21% Russell 3000, 17% MSCI ACWI ex-US
Public Mkt Debt- 10% Barclays US Aggregate,
Risk Diversifying 4% Barclays US Aggregate,
5% Barclays 7-10yr Treasury, 4% Barclays 5-10yr US TIPS
Real Estate & Infrastructure- 15% NCREIF Index (inc. Infrastructure)
Private Equity- 10% actual private equity returns
Private Credit- 8% actual private credit returns
Liquidity- 6% 90 day T-Bills
Pending annual updates to interim targets.

Capital Markets:

• *Investment Markets - January saw robust returns on equities – both US stocks (S&P 500 +6.3% and International stocks (MSCI ACWI ex-US +8.1%) rallied significantly. Bonds benefited from interest rates retracing some of their recent increases back down slightly (Bloomberg US Aggregate bonds +3.1%).*

Board of Supervisors Meeting of Tuesday, February 28, 2023 (Scheduled)

Item 1 - Request to approve a FY 2022-23 renewal agreement with the Cal Poly Corporation to support the Cal Poly - Center for Innovation and Entrepreneurship at the SLO Hothouse in the amount of $200,000 from Fund Center (FC) 104 - Administrative Office to enhance economic development. The $200,000 grant, which has been awarded annually for years, is one piece of the County's economic development effort. The program is a component of a larger University-related program, the Cal Poly Center for Innovation and Entrepreneurship. In turn, the Center is operated by the Cal Poly Corporation, which is a quasi-independent captive entity that provides a variety of services to the University.

The intended result is successful businesses employing county residents. More specifically, the contribution will support the SLO HotHouse Incubator Program, its economic development activities and its job creation priorities. This contributes to the goals of the Economic Element of the San Luis Obispo County General Plan by enabling the residents of San Luis Obispo to find employment, grow locally operated businesses, and pursue the lifestyles that they value. More specific intended results are detailed in Exhibit A of Attachment 1 - FY 2022-23 Agreement with the Cal Poly Corporation. This agreement is consistent with the County's goal to promote a prosperous community.

CIE Startup Incubator Program: Startups Incubating in the SLO HotHouse. As of June 30, 2022, there are 13 companies in the Incubator Program, including:

● *AcreCloud farm-management platform offers growers and contractors customized control over their operations, extensive auditing capabilities, and access to new products.*
● *ARTIFEX is building a custom measuring tool that converts distance measurements taken on-site by construction professionals into CAD-ready floor plans.*
● *BRUNCH a recipe app that allows you to connect with recipe creators, find new recipes to cook, and plan and shop for the week.*
● *BlendKraft is helping winemakers eliminate redundant and non-creative work so the winemaker can focus on the art of blending wines.is working to save lives by providing first responders with cost-effective tactical robotic solutions.*
● *DcubeD develops mass-customizable, export restriction-free Actuators and Deployable Structures that make advanced SmallSat & CubeSat missions possible by keeping especially the need of New Space Customers in mind.*
● *DEMO is creating a two way marketplace in which artists can "go public" like a company would and sell tokens ("NFTs") that represent shares in their art. Artists can also buy tokens containing the personal data of their fans and investors if those users opt in.*
● *HILITE Fit (High Intensity Low Impact Training Exercise) is a workout methodology that takes inspiration from dance, gymnastics, and circus.*

● *Novocuff is designing a minimally invasive, non-surgical device that will help prevent preterm birth*
● *Tallyfor Inc enhances online accounting software with the ability to complete business taxes by helping owners move data from source transactions to IRS filing.*
● *TractorCloud is an end-to-end heavy machinery diagnostic, management, and predictive maintenance cloud platform.*
● *Zeste Farms is an Indoor Vertical Farm producing living greens like Kale, Arugula, Cilantro, Parsley, Basil, Dill, Dandelion, etc.*
● *Zoetic Motion improves patient adherence through gamifying the process and rewarding our users, while equipping physical therapists with the ability to maximize patient progress*

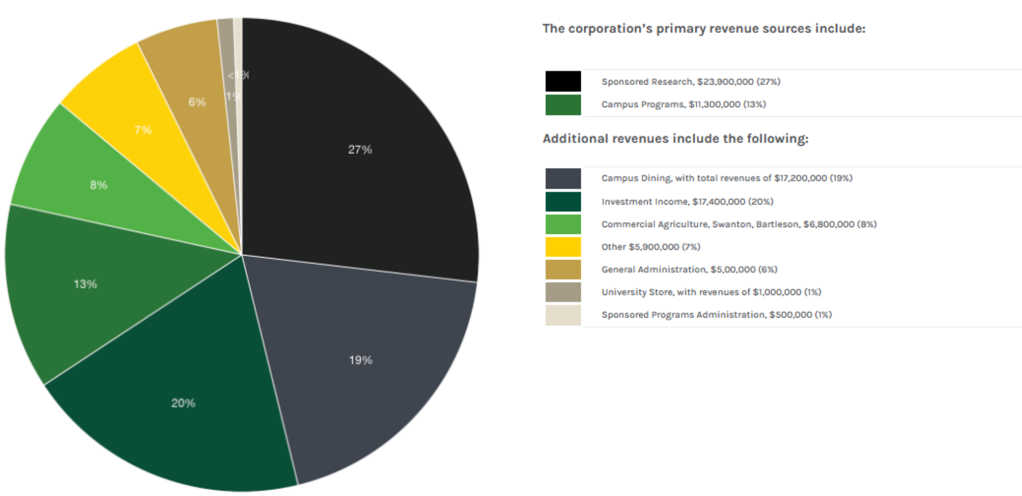
The Annual Report of the of the Center For Innovation, detailing all of its activities, can be found at the link [Microsoft Word - SLO County Annual Report 2022 (jdm edits) (1) (ca.gov)]

The Cal Poly Corporation is actually one of the larger business entities in SLO County, with an $89 million in annual revenue. It does not receive any tax dollars and derives its funding from the provision of services to the University, students, faculty, and general public.

Cal Poly Corporation revenue comes from a diverse range of sources, including Campus Dining, the University Store, commercial agriculture and investments. A breakdown of revenue sources and annual financial reports are available below. Information pertains to the financial condition and results for the year, ending June 30.

REVENUE SOURCES

Revenue generated from corporation-managed operations for fiscal year 2020-21 totaled $89 million.



Related Non Agenda Item: SLO County Economic Development in general and REACH Central Coast.

Economic Development has been an off again/on again priority of the County over the years. Various components are scattered throughout the Budget. The County has set a portion, $10 million of the Diablo Power plant closure mitigation funds, to be used for economic development to replace the lost jobs, taxes, and resulting inverse economic multipliers which will occur when the Plant closes.

The largest component of the County program is the not-for-profit REACH Central Coast, which is the County's official economic development program provider. REACH's priorities are listed as:

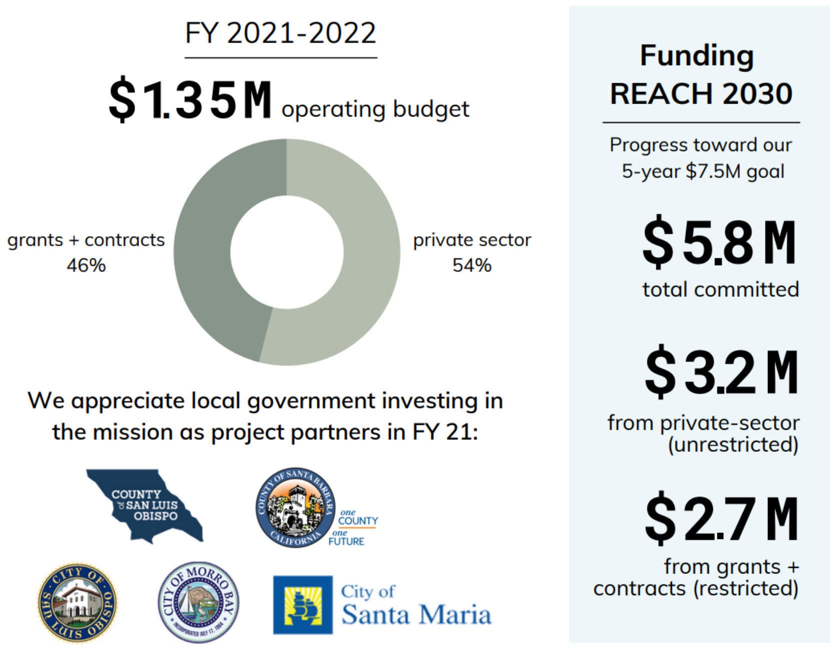
Accelerate job growth in target industries
By fostering the start-up, attraction and expansion of high-wage industries.

Create world-class innovation hubs
By optimizing Diablo Canyon and Vandenberg Space Force Base as economic engines.

Break down the barriers to job creation
By championing regional planning in support of economic expansion and supporting infrastructure investment.

Prepare residents for the jobs of today and tomorrow
By expanding and integrating educational and workforce opportunities.

REACH's Annual Budget



REACH's Annual Report can be accessed at the link

FY 2021 Annual Report (reachcentralcoast.org)

San Luis Obispo County provides an annual grant to REACH of $400,000. Similarly, Santa Barbara County has been giving the entity $250,000. We do not know how much the cities are contributing. REACH also receives State and Federal economic development grants. Per the graphic above it reports that it raised 54% of its revenue from private sector contributions in FY 2021. Nevertheless, it is receiving substantial taxpayer revenue.

The County contract with REACH is Summary includes:

Scope of Work

● *Core Economic Development Services are outlined in Table 1. These annual services include a comprehensive set of activities aimed at promoting and representing San Luis Obispo County, attracting investment and fostering job and business growth.*

● *Special Economic Development Projects are outlined in Table 2. For this Scope of Work, it includes a Central Coast Emerging Industries Waterfront Siting and Infrastructure Study to identify and evaluate infrastructure opportunities related to key growth sectors (see Appendix A for more details).*

● *Out of Scope Projects are outlined for reference in Table 3. These activities are not funded in this Scope of Work but are complementary to the services outlined above in advancing San Luis Obispo County's economic development goals.*

● *The REACH Team and roles and responsibilities for the above activities are outlined in Table 4. Fees REACH's economic development efforts in support of San Luis Obispo County are funded by a variety of private and public sources. The fees outlined below for delivery of this Scope of Work are matched by other funding sources to significantly amplify the impact of San Luis Obispo County's investment: for every $1 invested by San Luis Obispo County, REACH is bringing in $5 of investment from other private and public sector donors.*

● *Core Economic Development Services: $300,000*

● *Special Economic Development Projects: $100,000*

● *Out of Scope Projects: N/A Table 1: Core Economic Development Service*

Political Patronage Using Public Funds or Just the Usual SLO County Cronyism?

REACH just announced that it had appointed Quinn Brady to manage the Community Economic Resilience Fund Program (CERF).

REACH
1,149 followers
4d •

This week we officially onboarded Quinn Brady as Project Director for the CERF program. With a passion for uplifting disinvested communities and fostering belonging, Quinn will lead the 2-year planning process to create an inclusive economic development plan for the six Central Coast counties. Welcome, Quinn!

Significant new resources are coming to the Central Coast to help the region plan its economic future.

Here's a quick rundown.

What it's all about: A $5 million grant under the state's new Community Economic Resilience Fund will fuel an expansive 2-year process to create an inclusive economic development plan with a focus on equity, sustainability, job quality, economic competitiveness and resilience. The process opens up additional funding opportunities for implementation.

Brady's economic development and project management experience seems to be limited to political advocacy, electioneering, and promoting the cannabis industry. Now she is catapulted suddenly out of nowhere to be the manager of a large government funded economic development program. Brady is a smart and crafty politician but not necessarily an economic development professional.

Brady has been a major progressive wing Democratic Party activist in the county and was one of the founding leaders of the Citizens for Good Government, which is suing the County over the redistricting plan adopted last year. Brady was a close advisor and campaign manager for former SLO City Mayor Heidi Harmon.

Until her REACH appointment, Brady worked as Community Outreach Director for Megan's Organic Market, a cannabis dispensary, in the City of San Luis Obispo.

It seems peculiar that REACH, which is led by some prominent business leaders, the President of Cal Poly, and Chamber of Commerce Executives, would pick a leftist advocate with no education and expertise in economic development, regional planning, or developing underserved communities to lead the project.

Does Brady even support capitalism or private property?

Her Job History

- Community Outreach Manager at Megan's Organic Market(Feb 2021)
- Opinion Columnist at SLO New Times(Jan 2021)
- Campaign Consultant at Ellen Beraud for Supervisor 2020(Sep 2019 - Mar 2020)
- Campaign Manager at Heidi Harmon for Mayor(May 2018 - Nov 2020)
- Elected Assembly District Delegate at California Democratic Party(Jan 2017 - Apr 2021)
- Vice Chair at SLO County Progressives Club(Nov 2016 - Feb 2020)
- Campaign Consultant at Heidi Harmon for Mayor(Aug 2016 - Aug 2017)

- Mentor at Bold Leaders(Jan 2011 - Dec 2012)
- Development Manager at Indigenous Education Foundation of Tanzania(Jan 2010 - Dec 2013)
- Community organizer, outreach manager and messaging strategist.

Quinn's LinkedIn Page

Community Outreach Director
Megan's Organic Market · Full-time
Feb 2021 - Jan 2023 · 2 yrs
San Luis Obispo, California, United States

Develop and implement all aspects of community outreach statewide, manage multiple projects and deadlines simultaneously. Build strategic relationships with organizations, agencies, and city officials. Plan and

Skills: Reporting · Compliance Management · Community Outreach · Stakeholder Engagement · Strategic Partnerships · Community Engagement

Chief Communications Officer
San Luis Obispo Citizens for Good Government
Nov 2021 - Sep 2022 · 11 mos
Politics

Write and manage strategic communication, maintain press relations, prepare and deliver formal statements as spokesperson, lead successful fundraising efforts, establish and maintain systems and procedures.

Education

University of Missouri-Columbia
Bachelor's degree, Human Development and Family Studies, General
2003 - 2008

Former Mayor Heidi Harmon takes notes as former Hothouse mentor/instructor Mick Andre, who morphed into a cannabis entrepreneur, demonstrates something. Quinn Brady looks on.

Item 30 - It is recommended that the Board receive and file a presentation regarding the Fiscal Year 2023-24 County and State Budgets, and provide direction to staff as necessary. The informational report updates the status of the preparation of the Proposed FY 2023-24 Annual Budget. The analysis deals primarily with the General Fund portion.

Last November, the staff forecast that an $11 million revenue expenditure gap might require reductions. At this point the gap has shrunk to $5.1 million, primarily due to lower than forecast salaries and non-salary expenses. The County was also able to cancel some reserves for continuing programs which originally had been funded by the American Rescue Plan Act (ARPA). Unused Federal and State COVID slush funds were substituted. The table below summarizes the current situation.

The report notes that this the situation for a budget that does not provide service increases - that is a "Status Quo Budget." Risks include how the projected State Budget shortfall of $25 billion might short State revenues for counties. Also the development of a recession could negatively impact both State and Federal revenues.

FY 2023-24 Forecast vs. Status Quo Budget (General Fund)

	Forecast	Status Quo	$ Diff	% Diff
Non-Departmental Revenue	$276,587,042	**$273,523,873**	-$3,063,169	-1.1%
Departmental Revenue	$371,677,820	**$371,672,345**	-$5,475	0.0%
Fund Balance Available	$43,354,334	**$43,354,334**	0	0.0%
Cancelled Reserves	$337,555	**$5,246,883**	$4,909,328	
Total Revenue	$691,956,750	**$693,797,435**	$1,840,685	0.3%
Salary and Benefits	$387,576,936	**$383,526,549**	-$4,050,387	-1.1%
Non-Salary Expense	$282,794,039	**$277,139,983**	-$5,654,056	-2.0%
5% Contingency	$33,518,549	**$33,033,327**	-$485,222	-1.4%
New Reserves	0	**$5,212,398**	$5,212,398	
Total Expenditures	$703,889,523	**$698,912,257**	-$4,977,267	-0.7%
Available Funds/(Gap)	-$11,932,773	**-$5,114,822**		

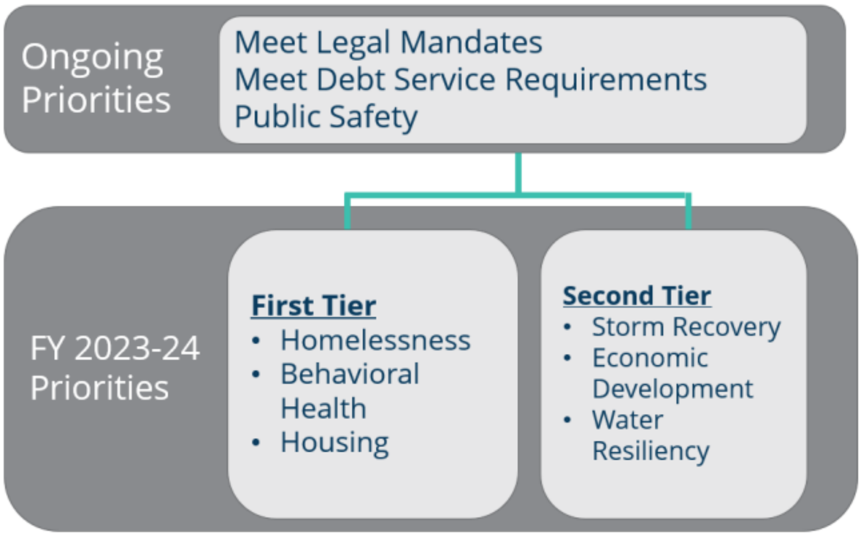
The various departments have made supplemental requests (Budget Augmentation Requests [BARs] totaling $13.8 million above what is allowed in the Budget policy.

All things being equal and absent some shock such as a bigger war, recession, or massive social unrest, we would expect the gap to narrow between now and May, when the Budget is submitted for consideration. The control of the southern border by cartel gangs, the spread of Fentanyl, the collapse of law and justice in many of the urban cities, and the woke effort to extinguish the heritage of western civilization, along with the emerging totalitarian Neo-Axis of China, Russia, Iran, North Korea and some of the Stan's all bode ill for the future.

California has lost 750,000 of population in recent years, and over 250 significant companies have left the state completely or moved their key factories and headquarters. The future of the Diablo Power Plant seems up in the air, while the putative massive wind farm project may be too expensive to build, even with massive subsidies.

In January the Board revised its overall Budget priorities to eliminate roads and demote economic development, while elevating Homelessness Prevention and Remediation and Behavioral Health. The former are investments with future benefit. The latter are consumptive and have expanded immensely over recent decades with no visible overall success. While they are humane attempts to deal with the plight of the suffering people, the numbers of ill and addicted grow inexorably.

FY 2023-24 Board Priorities



The next steps in the FY 2023-24 Budget Development Process are as follows:

• February-April: Administrative Office reviews Departmental Budget Submittals and works with Departments to develop a Recommended Budget.
• May 16: Recommended Budget is introduced.
• June 12-14: Budget Hearing.
• June 20: Recommended Budget is adopted.

Save Monday June 12th to come and comment on the Budget and the program of service it supports (9:00 AM)

Item 31 - Request to receive and file the County's temporary events update regarding rules, regulations, and enforcement. Beginning last year, event venues for weddings, not-for-profit fundraisers, political candidate fundraisers, barbeques, wine events, and community organizing began to experience increased scrutiny and enforcement by various County agencies. Eventually, the Board of Supervisors asked the staff why the sudden new vigor?

During the initial Board item on the subject some staffers appeared offended that they would be asked such a question. They retorted that they were simply enforcing State code requirements and some County ordinances. This response did not answer the original question of why the increased effort suddenly began. Venues which had been operating for years, were suddenly informed that they had to install new safety features, expand driveways, and in one case even modify a State highway at their own expense.

Instead of demanding that staff answer the basic question on the origin of the expanded effort, the Board demurred and requested that the staff prepare a report on the situation. In other words, the Board did not receive an answer on which officials directed the accelerated inspection operation.

This report, which resulted from that prior direction, again does not answer the basic question of why the sudden inspections and enforcement started last year. Instead, the five-page Report amplifies and details what had already been stated:

At a high level, there are three primary components with regulating temporary events: (1) a land use ordinance; (2) a California Building Code ("CBC") component; and (3) a California Fire Code and Board of Forestry Regulations component. The Board has significant discretion on establishing land use and zoning through amendments to Titles 22 and 23; however, the Board does not have discretion over the CBC which is established through the California Health and Safety Code and the specific minimum building standards are developed by the State, specifically, the Building Standards Commission and the Board of Forestry. Each of these issues are again discussed below:

Temporary Event Land Use Ordinance

Under Title 22, temporary events as a land use are considered "Recreation, Education and Public Assembly Uses" and are a conditionally allowed use under the agricultural, rural lands, residential rural, office and professional, commercial retail, commercial service, industrial, recreation and public facilities land use categories. Section 22.30.610 of the County's code (Attachment 1) establishes the permitting framework and development standards for temporary event land use permits within the Inland area of the County. In general, this section requires a landowner to obtain a Minor Use Permit unless the event is (1) a "Public Event"; (2) Commercial Entertainment and the operator has obtained a commercial outdoor entertainment license under Chapter 6.56 of the County's code; (3) a parade; or (4) is part of a permitted "Temporary Camp."

Temporary Event California Building Code Rule

Sections 103 and 104 of the CBC establish the office of the Building Official who is charged with the enforcement of the CBC and local building codes. Section 302 of the CBC established various "Occupancy Classification and Use Designation[s]." Occupancy classification is the formal designation of the primary purpose of the building, structure or portion of it. In other words, the building standards set forth in the CBC are designed based on what the structure will be used for.

Later in this section:

In addition, buildings in this occupancy class must be ADA compliant. Tasting rooms for example, are constructed to this occupancy classification. Neither the Board nor the Chief Building Official can modify the construction standards set forth in the CBC, except that the Building Official may consider alternate means of methods of construction, however, those proposals must be the functional equivalent to the standards set forth in the code.

County Fire is involved with the review and permitting of temporary event centers for conformance with the California Fire Code and Board of Forestry Regulations. Buildings used for temporary events are required to meet commercial access road standards and dead-end road lengths as outlined in Title 14 of the Code of Regulations and San Luis Obispo County Title 16. These buildings are also required to comply with the California Fire Code, Chapter 10, Means of Egress requirements which includes requirements such as: exit signs, exit doors, exit hardware, and exit illumination. A registered Fire Protection Engineer is required to provide a written technical analysis of the fire protection requirements. A commercial automatic fire sprinkler system is also required to be installed in accordance with provisions set forth in the California Fire Code as amended by the San Luis Obispo County Title 16 and the applicable National Fire Protection Association Standard. Automatic fire sprinkler systems are required to be designed by a fire protection engineer or C-16 licensed contractor.

Code Enforcement Process for Unpermitted Event Venues When a complaint is received, code enforcement investigates the situation to confirm whether a violation exists. Staff addresses each complaint on a case-by-case basis, and in some instances, venues are allowed to honor existing bookings while they go through the land use and/or building code process.

Were all the inspections and enforcement actions generated by a complaint? By the way, the report contains no tabulation of how many complaints have been received, how many were found to be valid, how many have been fixed , and how many cases, the owner determined to cease his or her activity. There is no way for the Board or Public to assess the issue without this information.

Venues Serving Conservative Groups Targeted? Need For Independent Review:
Are venues which host conservative groups targets? We are aware of some venues which have hosted events by conservative organizations for years, being shut down due to the costs that the County would impose on them to come into compliance. The Board should commission an outside investigation of the records of the involved departments and divisions to assess this potential. The investigation should include confidential employee interviews, review of inspection records , communications such as emails, and so forth.

Over the past years the County Board of Supervisors has eschewed such investigations into various matters which have later comeback to reveal major problems and cause embarrassment and lack of confidence in the government and major costly legal settlements.

Imagine, right now, an employee who received a bad performance rating could be explaining how the process was ramped up and how and why some venues were selected. After all, the new report does not show that this was comprehensive code enforcement, planned and organized to look at all venues.

Item 33 - Conference with Legal Counsel - Pending Litigation. (3) SLO County Citizens for Good Government, Inc., Gomez, Maruska, Villa v. County of Luis Obispo Board of Supervisors, San Luis Obispo County Superior Court, Case No. 22CVP-0007. Once again, discussing of the lawsuit against the redistricting plan is on the agenda. It is expected that after this session or a future session, County Counsel will emerge to announce a settlement. The settlement is likely to contain a restricting map which comports with versions supported by the left progressive Democrats.

Another potential settlement would be to leave the current map in place but agree to the establishment of an independent redistricting Commission for the 2030 census.

It is rumored that the plaintiff Citizens for Good Government are seeking a substantial financial settlement in addition to cover their legal costs. This seems to be a bloated claim, since the legal work involved on their part was originally a short complaint containing 4 causes of action and the setting aside of the map which was adopted by the then Board majority in 2021. Later in February 2022, the plaintiffs attempted have the court issue an injunction to prohibit the map from taking effect. This pleading was only about 10 pages and was denied. The Board should demand copies of the so-called Citizens legal bills to ascertain the costs and if the so-called Citizens were overcharged or are seeking to punish the former Board majority.

LAST WEEK'S HIGHLIGHTS

In General: The County and regional agencies did not have meetings last Week. Some meetings were cancelled.

No Board of Supervisors Meeting on Tuesday, February 21, 2022 (Not Scheduled)

The next meeting is set for Tuesday February 28, 2023.

Planning Commission Meeting of Thursday, February 23, 2022 (Cancelled)

The meeting was cancelled. The next regularly scheduled meeting will be on March 9, 2023, in the Board of Supervisors Chambers, County Governments Center, 1055 Monterey Street, Room D170, San Luis Obispo at 9:00 AM.

EMERGENT ISSUES

Item 1- Is it DEI, IED or DIE? Yes, it is! By R.W.

Diversity, equity, and inclusion, or DEI, has become a driving force in hiring practices across America. It's replacing equal employment opportunity, EEO, in today's discussions when new employees are recruited.

Within major corporations, universities, and elsewhere, executives specializing in DEI have become common. As these entities upgrade to the more fashionable DEI officers, EEO managers will become obsolete.

Why? They serve the same purpose, right?

Wrong! In fact, it's not even close.

When America's woke progressives successfully snookered the nation into accepting equity (the impractical pursuits of equal outcomes) as a replacement for equality (equal opportunity) the ballgame changed, majorly. The topline issue is no longer about hiring the applicant with the best credentials to do the work. Today, training and experience for a job barely count with DEI employers.

A quote by investigative historian A.E. Samaan summarizes the problem: "You can't have 'equal opportunity' if you put your thumb on the scales in an effort to force equal results." The equity thumb negates equality.

That's pretty straightforward, but it's where diversity and inclusion come into play. They are used to getting to equity, bypassing those formerly pesky EEO hurdles known as job qualifications.

So, how do diversity and inclusion make that happen?

First, definitions of the base words for those two terms, diverse and inclusive, help illuminate the answer. Diverse can be defined as, "differing from one another" and a simple two-word definition for inclusive is, "including everyone".

Today, it's no longer about judging the candidate pool for the most qualified individual. It's now about "including everyone" in the unit and/or entity doing the hiring and determining if one of the potential new employees fulfills the "differing from one another" criteria. Inclusion then dictates that that person should be the hire, and equity — "thumb on the scales" — has been achieved.

But consider the complexities when the creators of this scam set out to kill merit-based EEO. The discussions on how to bundle the terms — the DEI threesome — would have been crucial.

Think about it. Why not inclusion, equity, and diversity?

Well, IED would have connotations that might have proven to be problematic. IED could have alerted folks to what they would be stepping on when they committed to walking blindly down this path. Thus, it would have been easy to eliminate.

Nonetheless, that doesn't mean the designers didn't learn important lessons from the more common definition of IED: improvised explosive device. To serve its intended purpose, the detonating IED must be hidden completely to be most impactful, causing the greatest damage to unwary targets.

Accomplishing that feat turned out to be easy on the employment front. Just invert the letters from IED to DEI. You inflict as many wounds, but the victims don't see it coming.

Okay, so how about diversity, inclusion, and equity as an option?

Obviously, DIE would have thrown up even more red flags. Those who formulated the deadly threesome wouldn't have wanted the goal for their opponents to be that evident. Covert works better.

In addition, they really needed to keep equity sandwiched between the other two where it's less obvious. The equal outcomes meaning was starting to get around. They couldn't have equity hanging out last, thereby being more noticeable.

So, again, it was an easy-peasy solution. Pick the right order and no one will catch on. Well, at least they won't until they're already committed to stepping on the IED and watching their organization DIE from the damage done. By then they wouldn't be able to reverse course.

Is it DEI, IED, or DIE?

Yes, it is!

No matter what order you choose, America is clearly going backwards, not forwards, when it comes to the freedoms Martin Luther King, Jr. and so many others fought for a half century ago. Progress they made has been lost.

DEI is well outside the goals sought by MLK and his colleagues. They weren't fighting for equity; they were fighting for equality. As Dr. King noted:

> *A dream of equality of opportunity, of privilege and property, widely distributed; a dream of a land where men will not take necessities from the many to give luxuries to the few[.]*

His "dream of equality of opportunity" is what gave rise to the EEO that was the law of the land in America for decades. The federal government advocated for EEO and demanded compliance by their agencies and contractors. They ensured that Dr. King's dream — equality — was the name of the game.

So, what about today? Have the feds been added to the list of snooks being snookered? Or, have they become willing collaborators, aiding and abetting the con?

Well, lo and behold, if you survey federal agency websites, they now appear to be all in on DEI. It's everywhere.

The website for the Department of Health and Human Services (the COVID enforcers) lists a new program: "Advancing Equity at HHS". The goal is to "shift the culture, resources, and approaches to institutionalize and sustain a focus on equity over time." Clearly, they're pressing their "thumb on the scales" going forward to ensure equal outcomes, not equal opportunity. But after their COVID gestapo tactics, it's not surprising.

The Department of Commerce established a "Diversity, Equity, Inclusion, and Accessibility Council," also known on their website as just the "Equity Council" in November 2021. In February 2023, the agency:

> *…appointed its first-ever 'counselor for equity,' a position that will work to 'institutionalize equity across all workstreams and advise senior leadership on policy design and implementation strategies that help advance the equity agenda.'*

Additional smorgasbords of equity menus can be found across all federal agencies.

Why?

Because President Biden's Executive Order 14035, June 25, 2021, required it. "Diversity, Equity, Inclusion, and Accessibility in the Federal Workforce," was the title. "As the Nation's largest employer, the Federal Government must be a model for DEIA." That's the lead statement on the website which says it all.

Nonetheless, says it all must not have actually done it all. On February 16, 2023, the President issued yet another Executive Order: "Advancing Racial Equity and Support for Underserved Communities Through the Federal Government". As a result, every federal agency will be required to generate annual "equity action plans" and create "agency equity teams" to carry out all the mandates.

Moreover, new "senior leadership positions" must be established in all agencies to oversee the latest requirements. The feds aren't going to do something trivial like "thumb on the scales" to force equal results, they're going to stand on the scales.

So, while the first executive order pulled the plug on EEO life support, the new one drove the final nail in the coffin.

EEO: RIP.

So much for keeping MLK Jr.'s dream alive. Three letters have undone his noble vision.

Is it DEI, IED, or DIE?

Yes, it is! Two are just more accurate descriptions, but none of the acronyms bode well for America's future. Equality's demise is now advocated by its former champion.

R.W. Trewyn earned a PhD after surviving Vietnam combat, and more treacherously, survived 53-years postwar slogging academe's once hallowed halls.

Item 2 - State employee accuses SLO County air district of quid pro quo threat. February 24, 2023

APCD Executive Director Gary Willey

By KAREN VELIE

The message from the SLO County Air Pollution Control District (APCD) was clear, testified an environmental scientist with State Parks.

If Friends of Oceano Dunes wins its lawsuit and the APCD is forced to return money to a fund dedicated to support off-highway vehicle recreation, the district will impose new fines on State Parks, the scientist said.

Ronnie Glick, a senior environmental scientist with State Parks, testified about the "threat" during a deposition in the Friends' lawsuit. An attorney for Friends asked Glick if APCD Executive Director Gary Willey threatened to levee fines and fees if they lose the lawsuit.

"At either the May or Sept. 2022 meetings, did the APCD ever say to State Parks that if Friends prevails in this lawsuit that they would seek additional penalties and fines against State Parks?" the attorney for Friends asked during the deposition.

Glick answered that Willey said he would use the APCD's "enforcement authority under Rule 1001 to assess fines."

Glick said he perceived that as a threat.

Friends filed its civil lawsuit last May against the APCD alleging that the air district illegally spent money earmarked for the support of off-highway vehicle recreation. The fund, which is managed by State Parks, is capitalized through fees and taxes from off-highway vehicle usage.

A 2021 court ruling invalidated the APCD's dust rule that had required State Parks to reduce the particulate matter blowing from the Oceano Dunes State Vehicular Recreation Area or face fines of $1,000 per day.

The court found the APCD's agreement violated public policy because the agency adopted the agreement out of view of the public and without public input. Friends is now seeking reimbursement from the APCD for public monies expended under the void agreement, which Friends says exceeds $1 million.

Even though State Parks is mandated to support off-highway vehicle usage at the Oceano Dunes and oversee the Off-Highway Vehicle Fund, its administration generally takes a passive stance at what has become a politically charged issue.

Glick declined to tell CalCoastNews whether he reported Willey's statement to anyone else at State Parks.

But when asked by CoastNews whether Willey threatened to increase fees and fines if the APCD loses the lawsuit, Glick replied, "The deposition speaks for itself."

Wiley did not respond to requests for comment.

Sarah Miggins, the deputy director of the Off-Highway Motor Vehicle Recreation Division of State Parks, is the manager of the fund, which is to be used for off-highway vehicle recreation facilities.

Miggins refused to answer questions about Willey's alleged threat or her oversight of the fund.

Friends of Oceano Dunes is a not-for-profit corporation expressly created to preserve camping and off-highway vehicle recreation at the Oceano Dunes State Vehicular Recreation Area. Friends represents approximately 28,000 members and users of the Oceano Dunes.

During the past seven years, Friends has successfully sued the California Coastal Commission, the California Air Resources Board and the APCD approximately 10 times over the agencies' regulatory actions related to the Oceano Dunes State Recreational Area.

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

THERE'S GOING TO BE HELL TO PAY

America is piling up civilization-ending debts, and the people incurring them for the sake of feel-good social priorities will be justifiably cursed when the consequences finally come.

BY ADAM MILL

It's just a matter of how long the U.S. Government can stall before the bill finally comes due. Let's start with the math. The U.S. national debt now exceeds $31.5 trillion. On the day Joe Biden took office, the average interest rate on this debt was around 1.61 percent and interest payments were a mere $549 billion a year. Since then, higher spending and higher interest rates have accelerated the problem at breakneck speed. As older bonds with the historic low interest rates mature and disappear, they are replaced with the higher interest rate bonds now being issued. According to the St. Louis Federal Reserve, the annualized interest rate cost in December reached an eye-popping $853 billion.

The older, lower interest rate bonds have kept the average at around 2 percent, still much higher than normal. Econofact.org estimates that "most of the current government debt will mature within the next three years," which means that the federal government will soon be financing most of its $31.5 trillion debt at market rates-which are approaching 4 to 5 percent. We're looking at a total annual interest bill of over $1 trillion in the very near future. By comparison, the total tax revenue collected by the U.S. government in 2023 is projected to be $4.6 trillion. As soon as next year, interest will consume approximately one-fifth or even a quarter of all government revenue.

That's not the bad news.

The bad news is that we're fast approaching the point at which we have to accelerate borrowing just to keep up with the interest payments. The treasury has to find buyers for its whopping $1.4

trillion in deficit spending. And for now, the Federal Reserve is saying it will not buy more treasuries, even to replace the maturing treasuries that roll off its portfolio.

Until recently, the dollar's resilience made it possible for the government to effectively fund operations with money from the printing press. But inflation, the offspring of deficit spending, has begun to collect its due from the public. As interest payments claim increasingly more and more of the budget, the government must borrow more to make up the difference, thus accelerating the growth of the debt and inflation. This leads to still higher interest rates which lead to higher interest payments requiring even more borrowing

When you have to borrow money to pay interest on existing debt, you're in big trouble.

Entitlements such as Social Security, Medicaid, and Medicare, make up the vast majority of the budget. Every year, the bills get bigger as drugs get more expensive and the Social Security Administration indexes existing payments to keep up with inflation.

It's hard to say exactly when or how the federal budget will hit some sort of wall. But the scenario I consider most likely is that inflation will reignite as the Federal Reserve backs off its interest rate increases. Get ready to go long for single-digit inflation.

Unfortunately, the same geniuses who enabled politicians to run up these irresponsible debts will also be in charge of helping politicians set inflation-fighting policies. For the Left, the go-to tools never work but will always be tried because of political ideology. These include wage and price controls, tax increases, and criminalizing market pricing as "price gouging" or "hoarding." As taxes go up and the government attempts to regulate its way out of inflation, economic output falls. If the fall is drastic enough, it can have a counter inflationary effect. But only after inflicting extreme misery on working Americans.

In the 1980s, Reagan's formula of low taxes, less regulation, and higher interest rates created the conditions to dramatically reverse the Carter economic malaise, an era often compared to the present. While really smart economists will argue that the economy is totally dependent on government spending, this is sophistry. Government spending degrades efficient and wealth-enhancing transactions. The government gets its money by taking value out of a legitimate economic transaction and redistributing it to a political objective. Low-interest rates encourage scams and enable marginal businesses to chug along.

Profit, not borrowed money, is the key to economic revival. Produce things that legitimately add to the stock of goods and services, and you will increase national income. Shift money around with loans and government grants, and you will idle otherwise productive resources as people chase free money.

Economic freedom isn't about helping the rich. If anything, the opposite is true. During the economic expansion that followed Reagan's reforms, income inequality *fell*. The percentage of low-income houses fell from 27 percent in 1980 to 25.3 percent in 1989. In contrast, economic inequality increased under Obama's economic policies. The dirty little secret of leftist economic theories is that they benefit powerful people who are in a position to influence economic meddling. Who do you think got most of the COVID relief money?

Historians will scratch their heads and wonder why Americans spent so much time obsessing over Ukraine and gender identity while the debt piled up to catastrophic levels. Unfortunately, the people who govern us simply refuse to adhere to basic rules of fiscal discipline. Through ignorance or craven corruption, they continue aggressively driving up debt to unprecedented levels. These are civilization-ending debts and the people incurring them for the sake of feel-good social priorities will be justifiably cursed when the consequences finally come.

Adam Mill is a pen name. He is an adjunct fellow of the Center for American Greatness and works in Kansas City, Missouri as an attorney specializing in labor and employment and public administration law. He graduated from the University of Kansas and has been admitted to practice in Kansas and Missouri. Mill has contributed to The Federalist, American Greatness, and The Daily Caller. This article first appeared in the American Greatness of February 10, 2023.

TRUST FUND

BY JOHN COCHRANE

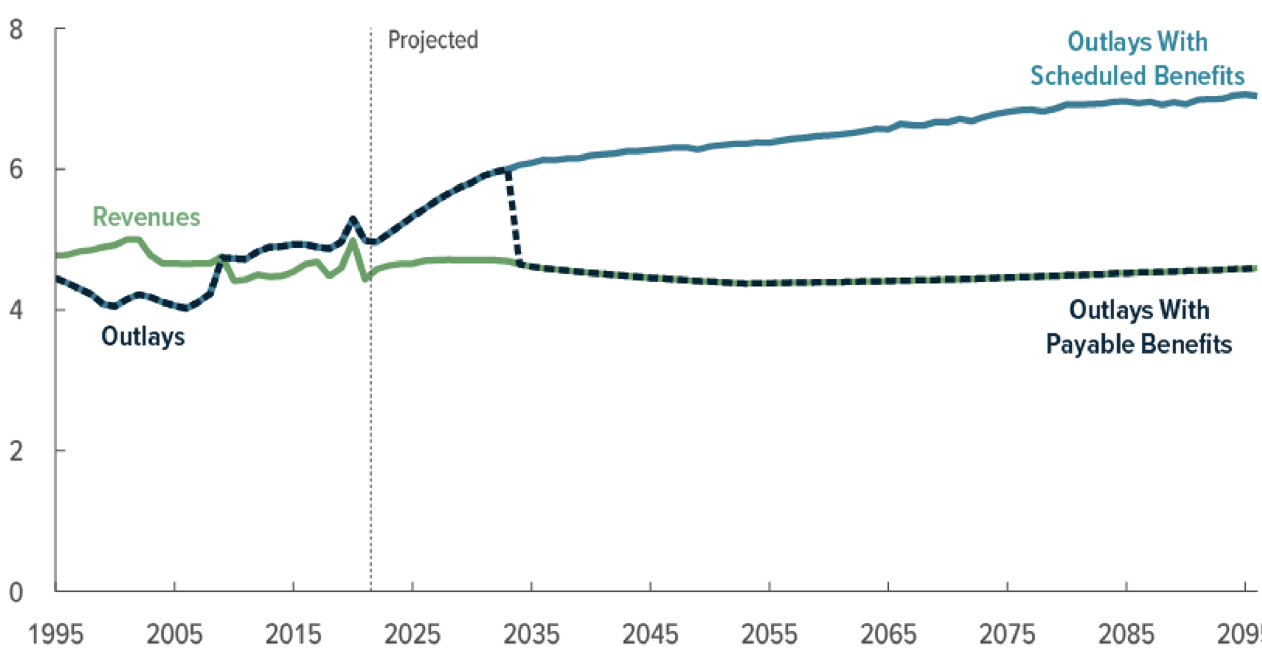
The Social Security Trust fund is set to run out in a few years. Who cares? Is the total US Federal debt $31,456,554,630,496.28, including Treasury debt held by the Social Security trust fund and other agencies? or is it "only" $24,629,050,125,670.81 held by the public? (Source.)

I've been mulling these questions over, prodded by conversations with some colleagues.

The "trust fund" exists because for a while, Social Security taxes were larger than Social Security payments. Social Security used the extras to buy Treasury debt. Now there are fewer workers, more retirees and more generous benefits, so Social Security taxes are smaller than payments. Social Security sells off its "trust fund." And it seems we're in trouble when the "trust fund" runs out.

But that's not how it works at all. Treasury debt is not an asset like a stock or bond, or Uncle Scrooge's pool of gold coins. *Treasury debt is a claim against future income taxes.* Cashing in Treasury debt just means paying for benefits with income taxes.

The ups and downs of the trust fund just reflect a change in how we finance spending. While payroll taxes > social security spending, which was the case until 2007, then payroll taxes are financing other spending. When payroll taxes < social security spending, then income taxes or increases in debt are financing social security spending, which (graph below) was the case after 2008.* The trust fund just adds up this change over time. But exhausting the trust fund is, in this view, really irrelevant.



source: CBO

That doesn't mean we can all go to sleep, for two reasons. First, when payroll taxes < Social Security outlays, and the trust fund is winding down, then income taxes or additional public debt must finance the shortfall. The government has to spend less on other things, raise income tax receipts, or borrow which means raising future taxes. And, per the graph, the numbers are not small. 1% of GDP is $230 billion. The extra strain on income taxes, other spending, or debt, happens right now, when the trust fund is positive but decreasing.

Zero matters only because by law, when the trust fund goes to zero, Social Security payments must be automatically cut to match Social Security taxes. That's the sudden drop in the graph. The program was set up *as if* the trust fund were buying stocks and bonds, real assets, and would not lay claim on income tax revenues. But it was not; social security taxes were used to cover other spending, and now income taxes must start to pay social security benefits.

What happens when the trust fund runs out, then? Congress has a choice: automatically cut benefits, as shown, or change the law so that the government can pay Social Security benefits from income taxes, or, more realistically, by issuing ever more debt, until the bond vigilantes come. (Or raise payroll taxes, or reform the whole mess.) I bet on change the law.

So what's the right measure of debt? It's conventional to look only at debt in public hands. But there is a case to look at the total debt, i.e. including the trust funds. Those are the total claims against the income tax. Looking at it this way, however, one could also go on and count unfunded future social security benefits as a debt -- the present value of the difference between the two lines above, which leads to immense numbers, per Larry Kotlikoff.

I have usually not considered the present value of unfunded promises as "debt," because Congress can change the payments at any time. Changing debt repayment to the public is a default, with financial and legal consequences; changing social security benefits is legislation.

You can't sell your future social security benefits as you can sell your treasury debt. The trust fund is half way on this scale. What would be the consequence of a haircut or rescheduling of trust fund debt? Would that trigger something like cross-default clauses in corporate debt? I don't know. The event is unlikely anyway. The left pocket defaulting on the right pocket doesn't help pay the bills. The trust fund is certainly unlikely to run, and its debt is not used as collateral in financial transactions. As a somewhat meaningless accounting identity, it's a lot less "debt" than the debt in public hands.

I think this all goes to remind us that paying off the existing debt is not the US central fiscal problem. The central problem is vast unfunded future promises. Defaulting or inflating away current debt does nothing to fund those promises.

I look forward to comments on this one, especially if there are standard views on these apparently simple questions that I'm not aware of.

*In the end, payroll taxes + income & other taxes + increase in public debt = Social Security spending + other spending.

The trust fund nets out.

This is a blog of news, views, and commentary, from a humorous free-market point of view. After one too many rants at the dinner table, my kids called me "the grumpy economist," and hence this blog and its title. In real life I'm a Senior Fellow of the Hoover Institution at Stanford. I was formerly a professor at the University of Chicago Booth School of Business. I'm also an adjunct scholar of the Cato Institute. I'm not really grumpy by the way! Any opinions I express are mine alone and do not represent the position of the Hoover Institution or Stanford University. This article first appeared in the Grumpy Economist of February 18, 2023.

ANNOUNCEMENTS

ANDY CALDWELL SHOWNOW LOCAL IN SLO

GETTING DISASTER HELP FROM SBA

INITIAL STEPS: Register with FEMA, Apply with SBA, and Visit a Disaster Recovery Center

- **Step 1**: Register with FEMA at www.disasterassistance.gov -or- www.disasterassistance.gov/es *(Spanish)*. This is the fastest way to register for help and you will receive a FEMA number unique to your application.
- **Step 2**: Apply For A Disaster Loan (sba.gov) [disasterloanassistance.sba.gov]. The section "What You Need to Know" provides information on the SBA federal low-interest disaster loans for **businesses of all sizes, most private nonprofit organizations (including places of worship), homeowners, and renters**.
- **Note: Homeowners and renters should submit their SBA disaster loan application, even if they are not sure if they will need or want a loan. If SBA cannot approve your application, in most cases we refer the applicant to FEMA's Other Needs Assistance (ONA) program for possible additional assist.**

WHAT YOU NEED TO KNOW

- SBA offers federal low-interest disaster loans to **businesses of all sizes, most private nonprofit organizations, homeowners, and renters**.
- Businesses of any size may borrow up to $2 million to repair and replace damaged property and working capital needs caused by the disaster.
- Small businesses, small businesses engaged in aquaculture, and most private nonprofit organizations (including places of worship) may borrow up to $2 million to repair and replace damaged property and working capital needs caused by the disaster.
- If over 50% of revenue is carried from agricultural, farming, and ranching business-contact your local United States Department of Agriculture (USDA) and Farm Service Agency (FSA) for available programs.
- If you are a homeowner or renter, FEMA may refer you to SBA.
- Homeowners may borrow up to $200,000 to repair or replace their primary residence.
- Homeowners and renters may borrow up to $40,000 to replace personal property, including vehicles.
- SBA Customer Service #: 1.800.659.2955
- FEMA Customer Service # 1.800.621.3362

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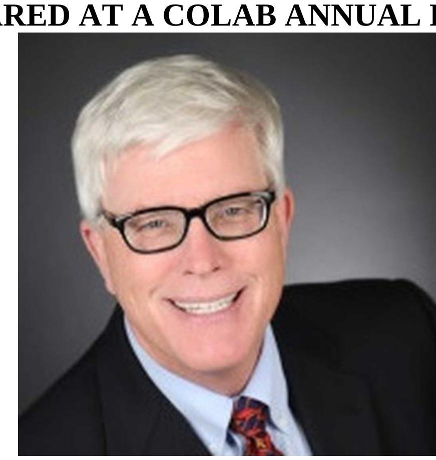

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