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

# WEEKLY UPDATE MAY 28 - JUNE 3, 2023

## THIS WEEK

## NO BOARD OF SUPERVISORS MEETING

## APCD MEETING

**FY 2023-24 PROPOSED BUDGET STAFFING LEVEL QUESTIONS**
**LEGAL SETTLEMENT QUESTIONS**

## MEMORIAL DAY 2023

**New Section of Arlington National Cemetery Offers Tragic Testimony to America's Most Recent Wars**

## LAST WEEK

## NO BOARD OF SUPERVISORS MEETING

## SLO PENSION TRUST BOARD
**A VERY INTERESTING AND TIMELY PRESENTATION**

## EMERGENT ISSUES

### COLORADO RIVER DEAL: WHAT DOES IT MEAN FOR CALIFORNIA?

### THE GREAT RESET IS UPON US!
***ANDY CALDWELL SUMS UP THE DESCENT INTO DYSTOPIA***

### THREE LIES THEY'RE TELLING YOU ABOUT THE DEBT CEILING
***DEFAULT WOULD EXPOSE THE FAILURE OF BOTH POLITICAL PARTIES TO COME TO GRIPS WITH THE REALITY OF OVER SPENDING. LET THEM SUFFER THE CONSEQUENCES. BRING ON THE REBELLION***

### LEGISLATIVE ANALYST WARNS CALIFORNIA CAN'T AFFORD GOV. NEWSOM'S 2023 - 24 BUDGET
***Deficit is even $3 billion higher than Newsom's $31.5 billion deficit figure in revised budget***

## COLAB IN DEPTH
**SEE PAGE 19**

### THE ENCAMPMENT STATE
**BILLIONS IN SPENDING HAVE FAILED TO SOLVE CALIFORNIA'S MASSIVE—AND WORSENING—HOMELESSNESS CRISIS**

**BY STEPHEN EIDE**

# THE ABSURDITIES OF OUR AGE

## *WHAT CANNOT GO ON, WILL NOT GO ON AND ALL THE ABSURDITIES OF THE PRESENT WILL END WITH A BANG NOT A BANG BUT A WHIMPER*

**BY VICTOR DAVIS HANSON**

# THIS WEEK'S HIGHLIGHTS

### No Board of Supervisors Meeting on Tuesday, May 30, 2013 (Not Scheduled)

**The next meeting is scheduled for June 6, 2023.** Some dangerous Paso Basin water moves are proposed by Supervisor Gibson. Rebirth of the AB 2453 Water District, which the voters opposed by 78%, is back in a deviously different form.

### SLO County Air Pollution Control District (APCD) Meeting of Thursday, June 1, 2023 (Rescheduled)

**Item B-2 Submission of the Proposed FY 2023-24 Budget.** There are 3 questions about this proposed budget. These pertain to the expenditure section that is presented below the Revenue section.

| REVENUES | BUDGET 2022-23 | ESTIMATED 2022-23 | REQUESTED 2023-24 |
|---|---|---|---|
| Property Taxes | $ 431,656 | $ 452,811 | $ 454,736 |
| Operating & Authority to Construct Permits | 1,596,000 | 1,657,295 | 1,800,000 |
| Other District Fees (Asbestos, Environ Assess, Burn Fees) | 278,304 | 347,072 | 323,304 |
| Mutual Settlements | 75,000 | 135,000 | 80,000 |
| Interest Revenue | 20,000 | 51,045 | 50,000 |
| DMV Air Fees | 1,080,000 | 1,086,998 | 1,080,000 |
| State & Federal Aid | 816,233 | 756,547 | 311,350 |
| Other Govt Aid | 16,355 | 16,355 | 0 |
| Other Sales & Miscellaneous Revenues | 15,203 | 15,982 | 15,353 |
| Cancelled Reserves & Designations | 0 | 0 | 240,407 |
| Fund Balance From Prior Year | 1,611,377 | 1,611,377 | 1,226,249 |
| Encumbrance Reserve From Prior Year | 33,051 | 33,051 | 0 |
| **TOTAL FINANCING** | **$ 5,973,179** | **$ 6,163,533** | **$ 5,581,399** |

**EXPENDITURES**

| | | | |
|---|---|---|---|
| Salaries, Benefits, & Taxes | $ 4,326,593 | $ 3,857,987 | $ 4,304,399 |
| Communications - Phones, Mail | 33,440 | 29,102 | 34,440 |
| Computers, Software, & Support | 149,400 | 95,510 | 153,370 |
| County Services (excluding Computer Support) | 92,235 | 87,107 | 112,087 |
| Insurance | 67,000 | 65,500 | 71,000 |
| Leases & Rents | 7,600 | 3,600 | 4,000 |
| Maintenance - Equipment & Facilities | 175,509 | 127,408 | 159,370 |
| Office Supplies & Copies | 33,786 | 15,336 | 39,836 |
| Other Department Expenses | 20,390 | 36,337 | 20,570 |
| Professional Services | 421,939 | 230,709 | 261,300 |
| Public Outreach & Education | 54,100 | 42,600 | 46,500 |
| Training & Travel | 55,442 | 30,545 | 51,442 |
| Utilities | 21,410 | 18,107 | 21,500 |
| Vehicles - Maintenance & Fuel | 24,400 | 21,106 | 24,400 |
| Subtotal - Services & Supplies | 1,156,651 | 802,967 | 999,815 |
| Other Charges / Contributions to Other Agencies | 6,000 | 1,000 | 2,000 |
| Fixed Assets | 213,261 | 159,362 | 98,200 |
| Contingencies | 154,706 | 0 | 162,132 |
| Increased Reserves & Designations | 115,968 | 115,968 | 14,853 |
| **TOTAL EXPENDITURES** | **5,973,179** | **4,937,284** | **5,581,399** |
| **Net District Cost** | **$ -** | **$ (1,226,249)** | **$ -** |

**Questions:**

1. The agency underran its salary account by $468,606 in the current FY 2022-23. Why do they need to build it back to $4,303,399?

The write-up states in part:

*FY 2023-2024 beginning FBA is estimated at approximately $1,226,249, which is $385,128 (-24%) lower than the FY 2022-2023 beginning FBA that was available to fund operations. This FBA will result from salary savings in FY 2022-2023 due to staff vacancies, unexpended services and supplies budget, unused contingencies, and higher than anticipated State Aid and reimbursements for services.*

There are no indicia in the program descriptions and work goals that the staff vacancies resulted in programs experiencing problems or work being deferred. The Board should test whether they can run next fiscal year at the current year staffing level.

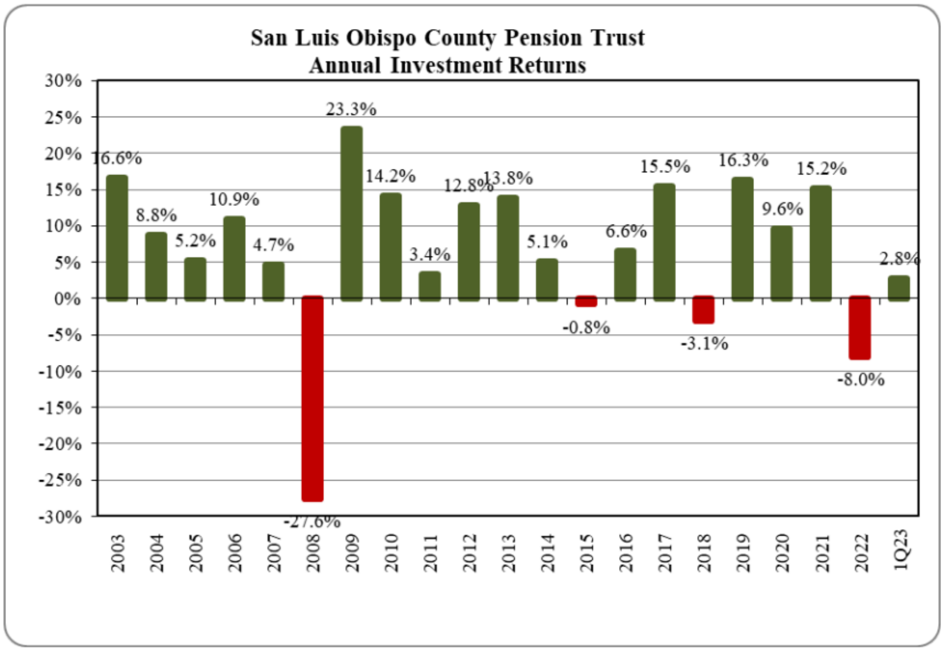
2. The Agency lost a legal case, and the Court required and must pay legal costs of $126,000 to the Friends of the Dunes. This payment does not appear in either fiscal year. What is the status? Did the APCD appeal or what?

3. The line item for District Legal Counsel services is $45,000. How much are they spending this current fiscal year? How much existing litigation is on tap? How much is expected next year?

# LAST WEEK'S HIGHLIGHTS

**SLO County Pension Trust Meeting of Monday, May 22, 2023 (Completed)**

**Item 13 - Quarterly Investment Report for the First Quarter of 2023**




The average annual return for the entire period displayed is 8.6%, which is greater than the current long range interest assumption rate of 6.25%.

**Item 14 - Monthly Investment Report for April 2023.** COVID, government-imposed lockdowns, the war in Ukraine, uncontrolled immigration, climate hysteria (especially energy rationing), trillions in added national debt, and the mental illness epidemic have all contributed to recent declines.

| | April | **Year to Date 2023** | | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|---|---|---|
| Total Trust Investments ($ millions) | $1,632 | | | $1,614 year end | $1,775 year end | $1,552 year end | $1,446 year end | $1,285 year end |
| **Total Fund Return** | 0.4% Gross | **3.2%** Gross | | -8.0% Gross | 15.2% Gross | 8.9 % Gross | 16.3 % Gross | -3.2 % Gross |
| Policy Index Return (r) | 0.6% | 3.9% | | -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 |

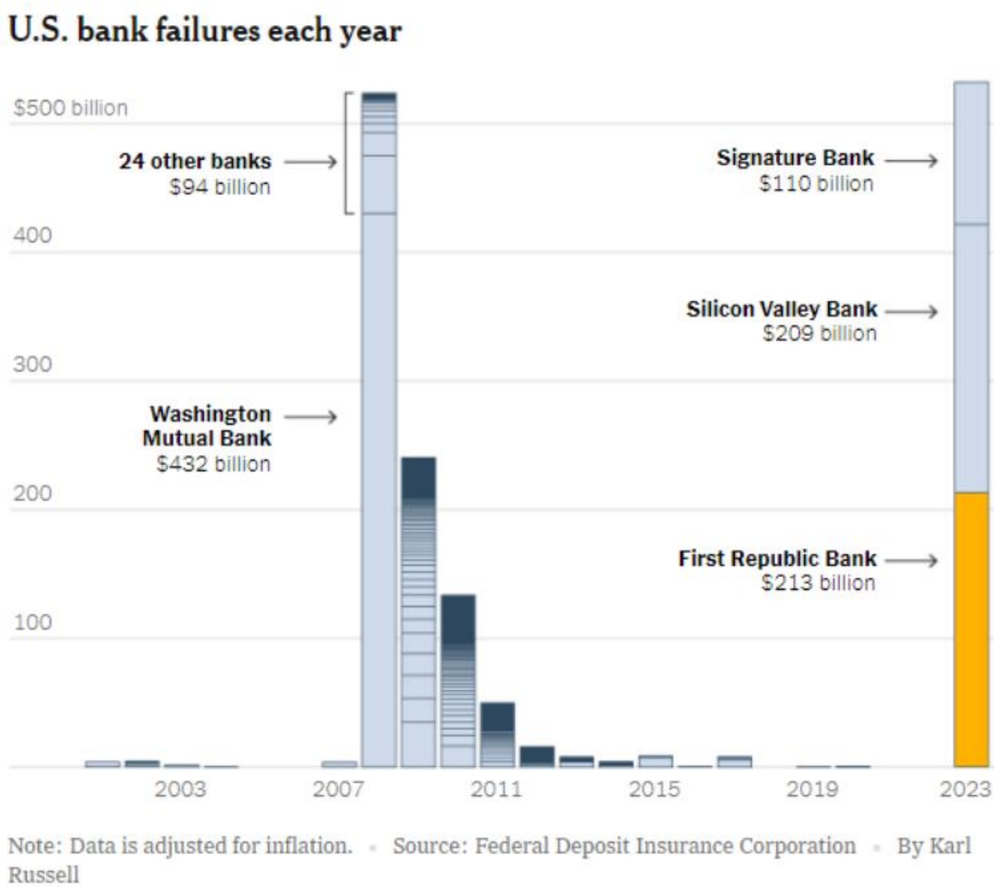
Pending annual updates to interim targets.

**The Pension Trust Board's Financial Advisors, Verus, provided some very interesting information in relation to the data:**

*The attached Verus Capital Markets Update details the investment results for the month and Verus' capital market commentary.*

***Capital Markets****: • Investment Markets - April saw a return to positive returns after a negative February. For March, equity markets rose – both US stocks (S&P 500 +1.6% and International stocks (MSCI ACWI ex-US +1.1%). Bonds also gained (Bloomberg US Aggregate bonds +0.6%).*

• ***Banking System*** *– Fears of growing weakness in the US banking system were fueled with the expected takeover of First Republic Bank by Federal regulators. First Republic Bank (FRB) suffered from many of the same challenges as Silicon Valley Bank – rising interest rates severely decreasing the value of Treasury bond investments and increasing interest expense for the bank combined with a skittish institutional depositor base. FRB was initially bailed out by $30 billion in deposits from 11 of the country's largest banks. Over the weekend of April 29th a deal was reached where JP Morgan/Chase purchased FRB. Jamie Dimon, the Chair of JP Morgan, commented that "This part of the crisis is over" (emphasis on the "this part"). FRB's collapse was the second largest in US history behind Washington Mutual in 2008 as shown on this graph from the New York Times*



***The Economy: • Federal Debt Limit** – The political hostage-taking exercise to extend the US Federal Debt Limit continued through April and May. With the announcement by Treasury Secretary Janet Yellen that, without an extension of the debt limit, the Federal government was likely to start defaulting on paying Treasury debt and other government payments around June 1st, the pressure on the House to stop "playing chicken" with the economy ratcheted up. The negative consequences of a US debt default are so significant that –*

*♣ The Council of Economic Advisors on May 3rd released forecasts of three debt default scenarios.*

*♣ "Brinksmanship" scenario of a last-minute debt limit deal leading 200k job losses.*

*♣ "Brief Default" scenario of a one-week default leading to 500k job losses.*

*♣ "Protracted Default" scenario of over 3 months leading to 8.3 million job losses, a 6.1% fall in GDP and a 45% fall in the stock market. In a protracted default there would be little in the way of expanded unemployment benefits or other help the US government could provide.*

*♣ When Fed Chair Powell was asked about the implication of a Federal Debt default, he stated "I don't really think we should even be talking about a world where the U.S. doesn't pay its bills. It just shouldn't be a thing…No one should assume the Fed can really protect the economy and the financial system and our reputation globally from such damage that event might inflict."*

*♣ Capital market expectations appear to be for a last-minute temporary increase in the debt limit to avert cataclysmic consequences. But this may be optimistic.*

***• Inflation** –*

*♣ The April US CPI inflation report, as expected, showed a continued slowdown in the trailing 12-month rate of CPI inflation. The inflation rate fell to a 4.9% year over-year increase and a 0.4% monthly increase. Importantly, the cost of shelter, which makes up 1/3rd of CPI, slowed significantly in April.*

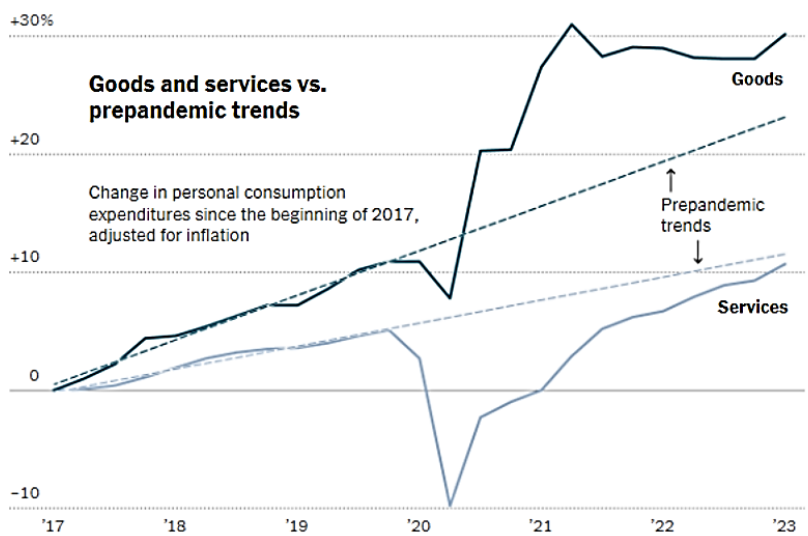
*♣ Coming months CPI reports on a trailing 12-month basis are expected to moderate significantly as the months of May and June 2022 fall out of the average. Those months in 2022 saw CPI increases well above 1% each month.*

***• Economic Growth** –*

*♣ GDP Growth – The 1Q23 measure of U.S. Real GDP growth came in at a positive 1.1% annual rate of inflation adjusted GDP increase. While slightly less than the consensus forecasts of a +1.9% growth, the GDP growth remained positive as consumer spending remained robust despite increasing interest rates. The 1Q23 GDP growth was down from the 2.6% rate of the 4th quarter of 2022 but was the third straight quarter of positive growth after a mild contraction in the first half of 2022*

*♣ Combined with the current low rate of unemployment at 3.4%, the 1Q23 GDP report paints a picture of a slowing, but still non-recessionary US economy.*

♣ *Consumer spending forms the backbone of GDP growth and has continued its recovery from pandemic disruptions. The quip is often made that "the US consumer will continue spending long after they shouldn't." The following graph shows the change in consumer spending on goods and services since 2017*




Source: Bureau of Economic Analysis • By The New York Times

**No Board of Supervisors Meeting on Tuesday, May 23, 2023 (Not Scheduled)**

**Planning Commission of Thursday, May 25, Continued to June 8, 2023 (Rescheduled)**

# SPONSORS

# EMERGENT ISSUES

**Item 1 - Colorado River states reach deal with Biden to protect drought-stricken river.**

## Colorado River Deal: What Does It Mean for California?

**By Alastair Bland**

After nearly a year of intense negotiations, California, Nevada and Arizona reached a historic agreement today to use less water from the overdrafted Colorado River over the next three years.

The states agreed to give up 3 million acre-feet of river water through 2026 — about 13% of the amount they receive. In exchange, farmers and other water users will receive compensation from the federal government.

The Biden administration has been pushing the states since last spring to reach an agreement to cut back on Colorado River water deliveries. The three-state deal is a historic step — but it is not final: The U.S. Interior Department must review the proposal. And everything will have to be renegotiated before the end of 2026.

In California, the agreement would mostly affect the water supplies of farmers in the Imperial Valley. Coming up with a plan to fairly cut water use has created tensions between farms and cities and between states, especially California and Arizona.
Here's what you need to know about the new plan, how it will affect California and whether it will bring relief to the West's vital water supply system:

**Why was this agreement needed?**

The Colorado River basin has been overdrafted for decades. Its major reservoirs, Lake Mead and Lake Powell, have been steadily declining, threatening 40 million people in the West with a water supply crisis.

In response, last June, a top Interior official asked the seven basin states to reduce water use by 2 to 4 million acre-feet per year, or a 15% to 30% annual reduction. The states failed to meet their deadlines to come up with a plan. So the Interior Department presented its own proposed actions last month, including a controversial one that would cut into the senior water rights of Imperial Valley farmers.

Unhappy with those federal proposals, California, Arizona and Nevada doubled down on their negotiations and tried to come up with an alternative. Today's agreement by the three states to cut water use through 2026 is considered a major, albeit temporary, step. At least half of the 3 million acre feet will be conserved by the end of 2024.

The Interior Department has now retracted its plan so it can add the states' new agreement to the package of options it is considering.

Bureau of Reclamation Commissioner Camille Calimlim Touton called the agreement "an important step forward towards our shared goal of forging a sustainable path for the basin that millions of people call home."

**Who in California does this affect? Will they have to use less water?**

The agreement would affect the water supplies of about 19 million Southern Californians in six counties who receive imported water from the Metropolitan Water District.
But the impact will be minimal. The district will sacrifice 130,000 acre-feet per year that it usually receives through a transfer arrangement from farmers in the Palo Verde Irrigation District in Riverside and Imperial counties. That water, explained Metropolitan's manager of Colorado River resources, Bill Hasencamp, will be left in Lake Mead instead. The federal government will reimburse the growers at the rate of $400 per acre foot.
Metropolitan will also voluntarily leave 250,000 acre-feet in Lake Mead this year. That water will be available for the district in the future.

These cuts will not affect Southern Californians this year, Hasencamp said. That's because rains have greatly boosted supplies from the State Water Project. The state aqueduct delivered only about 100,000 acre-feet to Metropolitan last year, but will deliver 2 million this year. (An acre foot is roughly the amount that three households use per year.)
Still, Hasencamp said water conservation, both in communities and on farms, should remain a way of life.

"We need to be cognizant that the West is getting drier," he said.
Farmers in the Imperial Valley are the biggest users of Colorado River water. The Imperial Irrigation District announced today that it will reduce usage at farms by roughly 250,000 acre-feet per year, about 10% of its average amount.

The district said it expects to receive $250 million from the federal government to reward the growers who cut back water deliveries. The money could be used to compensate growers who fallow crops.

Imperial Irrigation District General Manager Henry Martinez applauded the agreement, saying it is "is based on voluntary, achievable conservation volumes that will help protect critical Colorado River reservoir elevations, and in particular Lake Mead."
With water from the Colorado River, arid Imperial County has become the ninth largest agricultural producer in the state, reporting $2.3 billion in sales in 2021, led by cattle and lettuce.

By acreage, alfalfa and other water-intensive crops used to feed dairy cows and cattle dominate in the Imperial Valley, covering more than half of its farmland. Imperial also produces two-thirds of the vegetables consumed in the U.S. during winter months.

The Interior Department said it would use the Inflation Reduction Act to pay farmers and other users for saving 2.3 million acre-feet of water. The remaining 700,000 acre-feet "will be achieved through voluntary, uncompensated reductions by the Lower Basin states." The Interior Department did not release how much it will spend or who would get the money.

**What does the Colorado River need in the longer term?**

In most years, farms, cities and tribes use around 13 million acre-feet of the Colorado River's water, which is significantly more than the 11 million acre-feet of rain and snow that feeds into the river system in an average year. Unless drastic cuts are made, these supplies — most importantly Mead and Powell, which together contain about 50 million acre-feet — could essentially run out of water within several years.
While the new agreement amounts to saving about 1 million acre-feet per year, that's not enough. Experts say at least twice that much must be conserved.
Since the lower basin states use most of the Colorado River's water, the onus is on them — especially the biggest user, California — to come up with the water savings.
A wet winter has eased the emergency. But the relief will probably be short-lived in the arid West, where population growth and worsening droughts are sapping water supplies.

Sarah Porter, director of Arizona State University's Kyl Center for Water Policy, said the agreement represents progress, even though more action is needed.

"This is another step toward the long-term downward adjustment in how much Colorado River water we as a region can expect to take out of the system," she said.
Porter noted that this plan, because it's a voluntary one, "gets us toward our 2026 goals without risk of litigation."

**Item 2 - The Great Reset is Upon Us!** Andy Caldwell sums up the descent into dystopia in the concise article below:

Two emerging technologies could spell doom for the human race as we know it! The first is artificial intelligence, also known as AI. The second is transhumanism. Taken together, we are facing nothing less than a dystopian future in the name of technology and scientism. Moreover, elites from throughout the world have united behind these technologies to bring about what they call "The Great Reset". It all has to do with their plan to usher in an age whereby humanity will and must be "re-engineered".

My first conversation about AI was with James Hirsen who writes for Newsmax. Whereas AI was traditionally conceived to combine computer science algorithms with data to solve problems, something more nefarious is on the horizon. It is called Artificial General Intelligence, or AGI. AGI has the potential to exceed human capacity, including improving itself to the point where human beings could lose control of their own invention. As Hirsen put it, the nightmare would begin when the "stop mechanism" no longer functions.

My second conversation was with Janet Levy who writes for American Thinker. Her piece detailed "The Evil Twins of Technocracy and Transhumanism", a book by Patrick Wood. Wood's warning is as stark as can be. "Those who claim to be the sole designers of our future will rob us of all our rights to that future and in that future". The move towards transhumanism involves the converging sciences of nanotech, biotech, infotech, and cognitive science. The acronym for the merging of these four fields of science is NBIC.

The goal? Re-engineer humans by modifying our genes and merging every individual with technology. The goal here is to create a new master race of humans who would live in a new age sans the values of Western Civilization, individual rights, religion, private property, and nation states to create a new world order and a new species of man that will evolve by way of gene manipulation and the use of wearable and implantable technology. All life forms, including humans will be gene-hacked to suit the future the globalists envision.

If this sounds like a science-fiction based conspiracy theory, you need to look no further than an executive order signed by President Biden- The National Biotechnology and Biomanufacturing Initiative- which mandates a "whole of government" approach to advance biotech to achieve "societal goals".

The "engineers" trust that people will give up their freedoms in exchange for security (our founding fathers warned us about that!) and they are proving it as we speak! Consider the man-made crisis involving the covid shutdown and vaccine (which was implantable technology-MRNA), paying people to give up their jobs and businesses, inflation, along with energy, housing, food, and water shortages!

Moreover, the U.N., along with the World Economic Forum, and others, have for decades been planning a one world government by way of such things as the Convention on Biological Diversity which is promoting the Global Biodiversity Framework which encourages digital sequencing and data basing of *all* species as a global asset. In essence, they want to direct and control all facets of life on planet earth. To sum up, consider the statement by one of the leaders of this movement, David Pierce, who stated, "If we want to live in paradise, we will have to engineer it ourselves. If we want eternal life, then we need to rewrite our bug-ridden genetic code and become god-like"!

The timelessly brilliant CS Lewis envisioned all the above in his book "The Abolition of Man". Wood quotes the same, "Each new power won by man is a power over man as well. The power of man to make himself what he pleases means, as we have seen, the power of some men to make other men what they please".

**Item 3 – Actually, allowing the Federal Government to default could be a good thing.** Default would expose the failure of both political parties to come to grips with the reality of over spending. Let them suffer the consequences. Bring on the rebellion.

# THREE LIES THEY'RE TELLING YOU ABOUT THE DEBT CEILING

**BY RYAN MCMAKEN**


Negotiations over increasing the federal debt ceiling continue in Washington. As has occurred several times over the past twenty years, Republicans and Democrats are presently using increases in the debt ceiling as a bargaining chip in negotiating how federal tax dollars will be spent.

Most of this is theater. We know how these negotiations always end: the debt ceiling is always increased, massive amounts of new federal debt are incurred, and federal spending continues its upward spiral. In fact, since the last time we endured a major debate over the debt ceiling—back in 2013—the national debt has nearly doubled, soaring from $16.7 trillion ten years ago to $32 trillion in 2023. Over that same period, federal spending has increased more than 80 percent from $3.4 trillion in fiscal year 2013 to $6.2 trillion in fiscal year 2022.

So here we are again with policymakers essentially discussing how long it will take for the national debt and federal budget to double again. As far as Washington is concerned, that's all fine. The debt ceiling will rise sizably. We know this because what *really* matters—as far as DC policymakers are concerned—is that the taxpayer gravy train never stops. Equally important is that the federal government not default on any of its massive debt to ensure continued access to cheap debt—and thus massive amounts of deficit spending—now and forever.

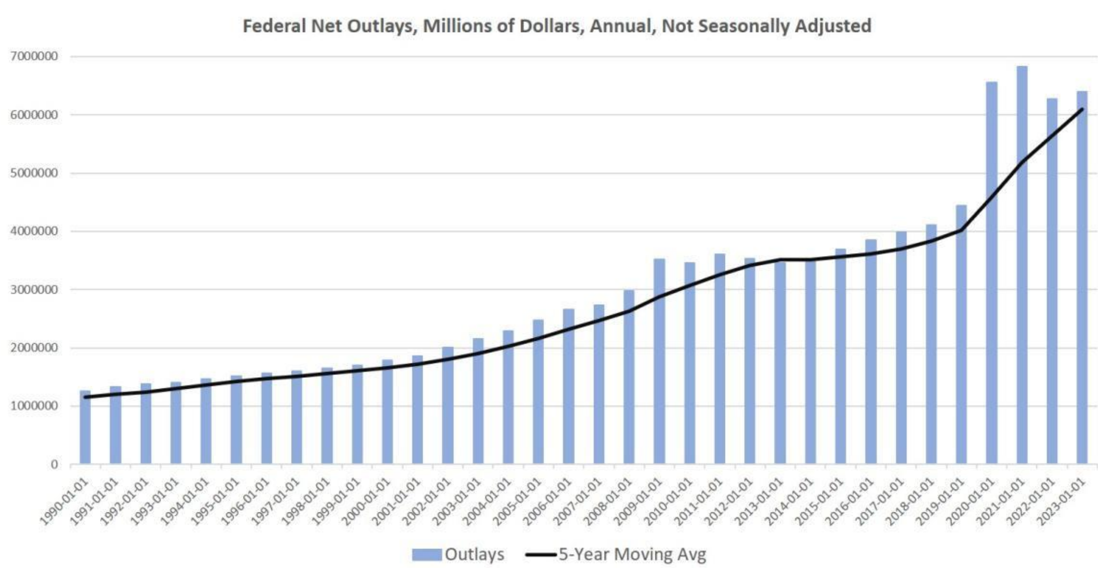
To take this narrative at face value, however, we have to buy into some big myths that policymakers are quite enthusiastic about repeating. These lies persist because the regime needs to convince the voters and the taxpayers that no matter what happens, no major changes to the tax-and-spend status quo can ever be allowed to occur.  Let's look at three of those myths now.

**One: The Republicans Want Austerity**

In Washington, when politicians use the word "cut," they usually are talking about *small reductions in the rate of increase* in spending. For example, if Pentagon spending has been increasing at 2 percent per year (which has indeed been the average for the past decade) then an increase next year of 1.5 percent will be denounced by some as a "cut." In reality, it's not a cut at all, of course. Spending has increased. But in the minds of Washington policymakers, taxpayer money is rightfully theirs, so any slowdown in the flow of free money is branded a "cut."

That's the basic premise of what we're seeing now when advocates of limitless increases of the debt ceiling bemoan "cuts" to Social Security or any other welfare program. In the current debate, the Republicans say they want "less spending than last year" for the 2023 fiscal year, and then a "cap" on spending at 1 percent increases in each year for the next ten years.

But before anyone claims that this is indeed some sort of meaningful "cut" let's look at the federal outlays over the past twenty years (the 2023 FY total is CBO's forecast):



After some moderation in spending during the second Obama term, spending again accelerated during the Trump years as then surged to new off-the-charts highs as Trump doubled down on massive spending increases during the Covid panic. Naturally, this surge continued during the Biden years, and spending now remains well above trend. Indeed, to bring spending back to the pre-2019 trend would require massive budget cuts totaling more than a trillion dollars to the annual budget

That's certainly not in the cards right now. Rather, the Republicans are seeking a tiny reduction in spending from the CBO 2023 estimate of $6.4 trillion down to slightly below 2022's spending of $6.27 trillion. Even with this slowdown, there is no danger of the 5-year moving average falling below where it was in 2022.

According to the GOP plan, after the proposed miniscule reduction for 2023, it's back to annual increases of one percent.  But, it's important to remember that this "cap" on annual increases to one percent is in no way binding on future Congresses. Congress can—and *will*, if history is any guide—forget about any previous agreement and increase spending to meet perceived "needs" at any time.

Rather, the "cuts" we keep hearing about—even if the GOP is successful—are likely to look like the so-called "sequestration" we kept hearing about back in 2013. That was supposed to usher in an age of austerity. Instead, federal spending and debt has nearly doubled in the decade since.

In other words, any claim that Republicans want to cut spending is true in only the most narrow short-term sense. Spending remains and will likely continue to remain, far above even Trump's huge (at the time) 2019 budget increases. The post-Covid mega-spending isn't going away.

**Two: The US Has Never Defaulted**

Central to the debt-ceiling and budget debate is the often-repeated claim that negotiations must be concluded immediately to ensure that the US does not miss payments on any of its debts. After all, we are told, the US has never missed a payment.

This is an out-and-out lie. The US has absolutely, indisputably defaulted before. This began in the wake of the American Revolution when the US defaulted on domestic loans. After the new constitution was in place in 1790, the federal government renegotiated past debt at less favorable terms for investors. That's a default.

Then there was the Greenback default of 1862. The original greenbacks were $60 million in demand notes which were redeemable in specie. Less than five months later, in January of 1862, the US Treasury defaulted on these notes by failing to redeem them on demand.

Perhaps the most egregious case was the Liberty Bond default of 1934. The US was contractually obligated to pay back its debts on these bonds in gold. Franklin Roosevelt decided to default on the whole of the domestically-held debt by refusing to redeem in gold to Americans and devaluing the dollar by 40 percent against foreign exchange. The US refused to make good on its end of these bond contracts. That was also a default.

Then there was the short default of 1979. As Jason Zweig noted in 2011:

*In April and May 1979, amid computer malfunctions, heavy demand from small investors and in the wake of Congressional debate over raising the debt ceiling, the U.S. failed to make timely payments on some $122 million in Treasury bills. The Treasury characterized the problem as a delay rather than as a default. While the error affected only a fraction of 1% of the U.S. debt,* *short-term interest rates—then around 9%—jumped 0.6 percentage point and the U.S. was promptly sued by bondholders for breach of contract.*

So, the next Time Joe Biden or Janet Yellen go on television to insist the US has never defaulted, know that you are being lied to.

**Three: Default Is the End of the World**

Any talk of default is sure to bring predictions of economic devastation. Those who have lived through a financial crisis or two will know how this works. As soon as signs of trouble in the economy appear, the regime lines up "experts" to tell us that unless the government is empowered to spend endlessly on bailouts and "stimulus," then the economy will collapse, unemployment will surge, and hell on earth will ensue.

The taxpayers certainly heard this repeatedly in 2008 and 2009 as the regime insisted it must be free to hand over trillions of dollars in bailout funds to wealthy bankers and auto makers and financiers. We were told that the central bank must be able to print up trillions of dollars so as to buy up government bonds and mortgage-backed securities to pad the balance sheets of the investor class. We were told this would "fix" the economy.

Naturally, when the recession turned out to be the worst since 1982, the "experts" then said—without any evidence whatsoever—things "would have been worse" without all their bailouts.

We're hearing the same thing now about possible default on the $32-trillion national debt. "Give us new debt ceiling increases with no strings attached" appears to be the constant refrain. Without this *carte blanche*, we are told, there will be economic catastrophe.

But it is all the same scare tactics the regime trots out every time it wants a new series of bailouts or immense amount of new spending. Trump hysterically said the same thing when he demanded passage of his $2.2 trillion covid "rescue plan." We're told there is no alternative, and any opposition is "reckless." Rather, we must approve any and all new spending now and deal with the consequences later. But "later" never comes because the strategy is always to just kick the can further down the road. To *not* do so, the experts insist, will destroy the economy.

Well, the time has come to start doubting this narrative and demand that the federal government start being more honest about its runaway and unpayable debt. And yes, today's massive federal debt is unpayable. It's not even manageable. For an example of how it is unmanageable, just look at how interest on the debt is gradually consuming all other federal spending. With interest rates rising, debt service is ballooning. According to an analysis from the Committee for a Responsible Federal Budget:

Net interest will surpass defense spending by 2028, Medicare spending by 2044, and Social Security spending by 2050, becoming the largest single line item in the budget. By 2053, net interest will consume approximately 7.2 percent of GDP – nearly 40 percent of federal revenues. It's clear at this point that the *only* strategy the federal government the Federal Reserve have for dealing with this is to inflate away the dollar with easy money so as to bring interest rates back down and pay back the debt in devalued dollars. Paying back debts with devalued dollars is a *type* of default, but this method helps hide the fact. Make no mistake: when the US government chooses to manage its debts by inflating away the dollar, it *is* defaulting.

A more honest and rational approach would be to explicitly default. Rather than trying to dishonestly inflate away the debt obligation, a less deceptive federal government would simply admit that it can only afford to pay back its debt at some reduced amount: say, 90 cents on the dollar, or less. Naturally, this would cause interest rates to surge as has occurred in the past when the US has defaulted. This, however, would simply be the process of bringing interest rates more into line with the real risks that go with investing in government debt.

The current political status quo, however, is built around protecting investors—rather than the *taxpayers* who ultimately pay all the bills—from risk. This method of turning debt into inflation is attractive to governments and their Wall Street enablers because it shifts the burden of runaway spending to ordinary savers and consumers. They are the ones who pay the real price of de facto inflationary default through price inflation, unaffordable homes, stagflation, and falling real wages.

When the experts who oppose any sort of explicit default insist that default would bring disaster, what they really mean is that it would bring disaster for their friends on Wall Street and in the government. The experts prefer the status quo which is a slow-motion inflationary disaster that's playing out in the household budgets of ordinary Americans.

*Ryan McMaken (@ryanmcmaken) is executive editor at the Mises Institute. Send him your article submissions for the* Mises Wire *and* Power and Market*, but read article guidelines first. Ryan has a bachelor's degree in economics and a master's degree in public policy and international relations from the University of Colorado. He was a housing economist for the State of Colorado. He is the author of* Breaking Away: The Case of Secession, Radical Decentralization, and Smaller Polities *and Commie Cowboys: The Bourgeoisie and the Nation-State in the Western Genre. This article first appeared in the Mises Wire of May 25, 2023.*

**Item 4 - State Deficit Turning Worse – Governor In Denial.** The escalating deficit will negatively impact the County's proposed FY 2023-24 Budget, as about 1/3 of County revenues come from the State. The *California Globe* article details the expanding problem:

## Legislative Analyst Warns California Can't Afford Gov. Newsom's 2023-24 Budget

### *Deficit is even $3 billion higher than Newsom's $31.5 billion deficit figure in revised budget*

The Legislative Analyst's Office (LAO), the California Legislature's nonpartisan fiscal and policy advisor, announced on Tuesday that the state would unlikely be able to afford the May revisions to the 2023-2024 budget as proposed by Governor Gavin Newsom, and that the actual budget shortfall is $34.5 billion, not $31.5 billion.

In the last several years, California has seen large budget surpluses, with $38 billion reported in 2021-2022, and $97.5 billion being reported for the 2022-2023 budget year. However, with the post-COVID economy finally stabilizing, and the state losing both businesses and population in recent years, state revenues dropped as many had predicted, leading initially to a leaner budget. Gov. Newsom unveiled a $297 billion budget proposal with a projected deficit of $22.5 billion in January.

While Newsom proposed many major cuts at the beginning of the year, multiple factors quickly made the situation worse and called for more. Initially, big cuts had been planned for state flood prevention programs, as the state was in a major drought and those funds would not be needed.

However, record rain and snowfall throughout the state in the first three months of 2023 quickly quashed those plans.

The storms also dealt the state a major funding delay, as the state allowed most residents to pay taxes later in the year from due to problems associated with the storms and subsequent flooding. While this will help the 2024-2025 fiscal year, it also means that billions less would be going into the state this coming year, as the deadline is now in October rather than the usual April. As around half of California's income comes from the top 1% of earners as well as large businesses. Higher federal inflation rates, a chaotic stock market, and many wealthier Californians leaving the state also affected the budget impacting the poor outlook.

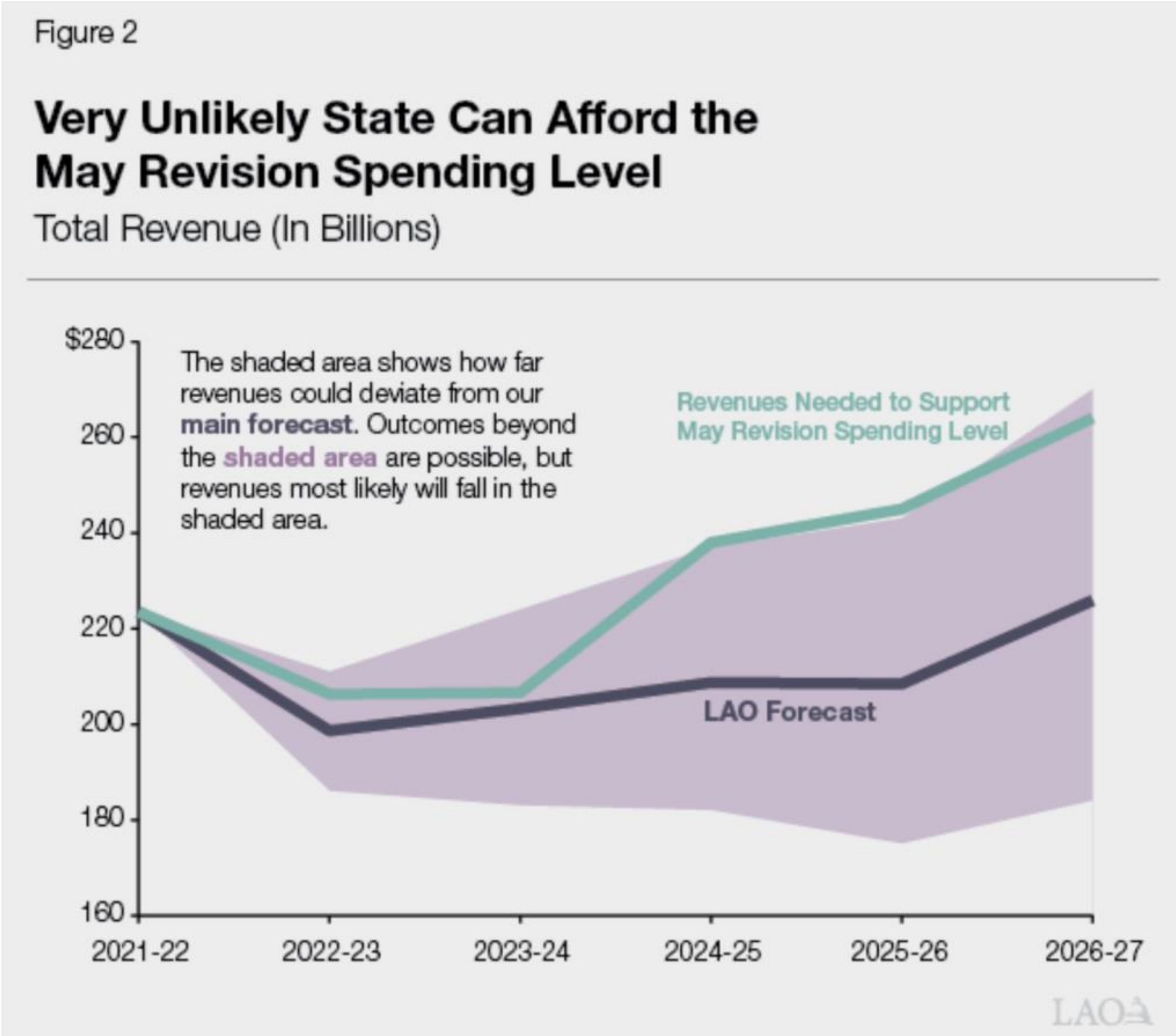
Earlier this month, Newsom announced a budget revision increase of $306 billion with a $31.5 billion deficit. The LAO quickly dug into the revision in preparation for Legislative discussion and votes on the budget, with the 2023-2024 budget needing to be passed by June 15th, with the fiscal year to begin on July 1st.
However, on Tuesday, the LAO announced that it is very unlikely the state can afford the May Revision spending levels.

According to the LAO, to eliminate the operating deficit in 2024-25, revenues would need to be roughly $30 billion higher than their forecast, with little chance that California will be able to afford the May revision spending over the next five years. The $11 billion currently planned as one-time and temporary spending in the proposed 2023-2024 budget is also untenable, with the LAO recommending that it be lowered to around $4 billion.

The LAO also found that the budget deficit is actually $34.5 billion instead of Newsom's figure of $31.5 billion, with spending projected to be $10 billion more than previous estimates by the time of the estimated 2026-2027 state budget. Overall, the state will also be averaging deficits between $14 billion and $20 billion in the upcoming years as well.

"The state faces annual budget deficits in the range of $14-20 billion per year after the upcoming budget year," Legislative Analyst Gabe Petek said on Tuesday. "Although we have the budget problem in the coming year that we've been talking about, there's additional problems in the future years throughout 2026-27 at least."

"Lawmakers should consider cutting spending, shifting costs or raising taxes to help. Reducing one-time spending alone would address about $18 billion. If you first took advantage of the reserves and one-time spending, it really buys us time, buys the state time before they have to go in and make those reductions to the ongoing programs, that's really the core of what the state provides."




The 2023-24 Budget
Multiyear Budget Outlook (Photo: Lao.ca.gov)

**The higher deficit in the 2023-2024 revised budget**

However, despite the larger deficit and other similar grim budget news, the LAO also said there are options remaining before the June 15th deadline, including drastically reducing one-time and temporary spending, tapping into the state rainy day fund, and additional fat trimming to the budget of non-essential programs.

Unusually, rather than dispute the LAO's findings, Newsom's administration instead said that the LAO's report backed up the "caution" being given by the administration in the May revision budget.

"The report's uncertain outlook for the coming years underscores the importance of the principles reflected in this year's May Revision," Department of Finance deputy director of External Affairs H.D. Palmer said on Tuesday. "First: Sustain and protect core programs. Second: Don't compound the risks that we know exist with higher spending that may not be sustainable. And third: maintain the state's substantial reserves as an essential insurance policy against further fiscal uncertainty."

In addition, many financial experts agreed with the LAO report in that spending needed to be slashed soon, along with taking other measures, to ensure that the state doesn't fall into a spiral of deficit that would last for several years.

"California was just so used to having a lot of money coming in, with those huge surpluses really clouding warnings that this deficit was coming," accountant Don Sherman, who has assisted local governments with budget problems in several states, told the Globe Wednesday. "We've got to cut spending now in the 2023-2024 budget to make sure California doesn't create a financial cliff for itself or needs to rely on all those rainy day funds. Lawmakers are primarily to blame for this high spending, but no one wants to back down from programs or grants or whatever they helped pass. Homeless projects especially. But that is something we really need to talk about in the coming weeks. We need to get this budget under control now or the consequences will be dire."

The 2023-2024 budget will have until June 15th to be passed by the legislature to come into effect July 1st, the traditional first day of the new budgetary year in California.

*Evan V. Symon is the Senior Editor for the California Globe. Prior to the Globe, he reported for the Pasadena Independent, the Cleveland Plain Dealer, and was head of the Personal Experiences section at Cracked. He can be reached at evan@californiaglobe.com This article first appeared in the California Globe of May 24, 2023*

# 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**

# THE ENCAMPMENT STATE BILLIONS IN SPENDING HAVE FAILED TO SOLVE CALIFORNIA'S MASSIVE—AND WORSENING—HOMELESSNESS CRISIS

**BY STEPHEN EIDE**

Ask the average Californian his take on homelessness, and he'll say that it's gotten much worse. Back in the early 2000s, a visitor to Los Angeles's Skid Row or San Francisco's Tenderloin would have witnessed scenes of misery that seemed scarcely capable of further deterioration.

Intense reaction against street conditions back then gave rise, in many California cities, to campaigns to end homelessness, prompting billions in new spending. But no California city ended homelessness; the average Californian's impression is correct. According to the best data available, homelessness in California grew during the 2010s and is still growing.

It has also spread. Governments once aspired to contain homelessness-related disorder within the boundaries of forlorn neighborhoods like Skid Row and the Tenderloin. But containment strategies are now just as discredited as the goal of ending homelessness. Tents are everywhere: the suburbs, the beaches, riverbeds, beneath overpasses, urban parks, median strips, nature preserves, and sidewalks surrounding City Halls. The crisis's dispersion has caused regional tensions, with neighboring communities trading accusations of dumping their homelessness problems on one another. To sort out inter-municipal disputes, and those between city and county governments, state government has had to step in. Since taking office in 2019, Governor Gavin Newsom has often identified homelessness as his top priority—another measure of the issue's magnitude. Most states view homelessness as a local problem.

Public concern has intensified in response to the gruesome details that give twenty-first- century homelessness such a menacing character and that give California such a dystopian reputation in connection with it. In San Diego from 2016 to 2018, a homeless-encampment-related outbreak of hepatitis A infected hundreds, 20 fatally. In the early months of Covid-19, Los Angeles contracted with a portable restroom company to facilitate better hygiene among the street population. One employee of that firm was impaled in the hand by a syringe when cleaning out a handwashing station near a needle exchange. In April 2021, a dog was burned alive in Venice by a fire likely set by a member of that community's unsheltered population. In January 2022, a dog attacked a security guard at the San Francisco Public Library when the guard tried to use Narcan to revive the dog's owner, who had overdosed. This past December, a San Francisco toddler overdosed on fentanyl, after coming into contact with it while playing in a park. A June 2018 column in the *San Francisco Chronicle* titled "Homeless Camp Pushes SF Neighborhood to the Edge" related how a two-and-a-half-year-old had "invented a game called 'jumping over the poop'" and that "[a]nother kid across the street collected syringe caps and floated them down the stream of dirty gutter water for fun."

Social media have been crucial in advancing progressive causes such as Black Lives Matter, but they have pushed in the opposite direction with homelessness. The notion that homeless Californians are just down-on-their-luck cases has been undermined by viral videos such as Michael Shellenberger's interviews with street addicts. In one, posted in February 2022, "Ben" reckoned that less than 10 percent of San Francisco's street homeless are from the city originally and that the majority have an addiction, and he explained how he supports his own habit through petty crime. A video posted on July 8, 2022, by a San Francisco–based Twitter user showed schoolchildren exiting a bus in the city's South of Market neighborhood into what looked like a junkie zombie apocalypse. Californians understand that rents in their state are punishingly expensive and that some people who might have found housing elsewhere have wound up living on the street here. But why do they have to live on the street like *that*?

Homelessness hardens the heart. In a crisis jurisdiction, one cannot use streets and sidewalks without passing by—and thus ignoring—the obvious suffering of one's fellow man. But the homelessness story in California today is not one of neglect. Policymakers have been trying to help, but their programs have yet to make much headway.

All three levels of government—city, county, and state—have recently expanded outlays on homelessness, much of it flowing through specialized agencies, such as the San Francisco

Department of Homelessness and Supportive Housing ($670 million FY22 budget) and the Los Angeles Homeless Services Authority ($800 million FY22 budget). In fiscal 2022, state government spent over $7 billion on homelessness programs. The public has directly authorized more spending on homelessness and low-income housing through several recent ballot initiatives: Alameda County's Measure A1 (2016); Santa Clara County's Measure A (2016); Los Angeles City's Proposition HHH (2016); Los Angeles County's Measure H; the statewide No Place Like Home (2018); San Francisco's Proposition C (2018); and Los Angeles City's Proposition ULA (2022).

Most homelessness spending in California goes toward giving people a place to sleep. This can be done on a short-term, intermediate-term, or permanent basis, and accompanied, or unaccompanied, by programmatic goals like sobriety and employment. Permanent supportive housing is the form of housing that progressive advocates for the homeless favor most. It provides a subsidized private apartment, whose occupant can stay there as long as he likes, provided he abides by the terms of the lease. The program is "supportive" insofar as the unit is linked somehow to social services, but with no expectation that tenants use those services or pursue sobriety or employment. Permanent supportive housing is not optimal for nondisabled individuals capable of something more than lifetime dependency; other disadvantages are its high per-unit costs, which have topped $800,000, and the glacial pace of development. The program's main advantages are that some people unquestionably need it, and it's reasonably likely to keep people housed and off the street, at least for a few years.

**"In San Diego, a homeless-encampment-related outbreak of hepatitis A infected hundreds, 20 fatally."**

At the other end of the housing spectrum stands shelter. Unlike permanent supportive housing, shelter is short-term and provides minimal privacy. Accommodations are shared, often in a dorm-style setting. Shelter's advantages are that it's easier to launch in bulk than permanent supportive housing (or any other form of affordable housing) and, compared with living on the streets, people are safer and warmer in shelter. Providing shelter, at least to some degree, is a legal requirement for any city that wants to restrict sleeping in public. The disadvantages of shelter are that it's temporary and that, however much government spends on it, some street homeless will keep opting for the freer, if more hazardous, unsheltered life. The weather, often overlooked in homelessness discussions, makes shelter less of a pressing need in famously temperate California.

In between shelter and permanent supportive housing are so-called transitional housing programs. The traditional understanding of transitional housing was a place where someone could stay on an interim basis—and a place that was sobriety- and/or employment-oriented. The idea was to stabilize people so that, when they finally landed a private apartment, their tenancy would go more smoothly than if they had moved in directly off the street. Progressives have long disliked transitional housing for its reputation for paternalism and because it's not permanent. Of late, support for something like transitional housing has revived in California, as policymakers have scrambled for a program that's more attractive to the street homeless themselves than shelter and easier to build than permanent supportive housing. Some tiny-home programs—small villages of units around 100 square feet, built out of shipping containers or through a prefab/modular construction process—operate like transitional housing. In contrast with traditional transitional housing, new tiny-home programs generally don't enforce robust behavioral expectations, which remain rare in California homelessness programs.

A village of tiny homes—units of about 100 square feet (TED SOQUI/SIPA USA/AP PHOTO)

Why have billions of dollars in homelessness funding achieved so little? Some blame Housing First, a philosophy that calls for solving homelessness through permanent housing and prohibits the use of any requirements, such as sobriety or participation in services, as a condition of receiving housing benefits. This philosophy stood behind various local-level campaigns to end homelessness. Sacramento lawmakers made Housing First a requirement of state-funded programs in 2016 (SB 1380). Housing First's reach has an important cultural dimension. Support for it runs deep among homelessness professionals—academics who specialize in the subject, as well as the leadership and staff of government agencies and prominent service providers such as People Assisting the Homeless, public law firms like the ACLU of Southern California, and advocacy groups like the San Francisco Coalition for the Homeless.

Housing First's reputation has taken a hit, though, from Los Angeles's experience with Proposition HHH, a ballot initiative passed in fall 2016, with a "yes" vote of over three-fourths. The measure authorized $1.2 billion in bond funding for permanent supportive housing, mostly. But, as documented in a series of scathing reports by former Los Angeles City controller Ron Galperin, it took three years to open the first units backed by HHH funds, and, by February 2022, only about 1,100 units were operating, a rate "wholly inadequate in the context of the ongoing homelessness emergency." Galperin also criticized the program's costs, which average above $500,000 per unit. The HHH experience is not unrepresentative. A June 2022 *Los Angeles Times* analysis found several examples of subsidized housing programs exceeding $1 million per unit.

The old wisdom on Housing First is that it's the most practical solution to homelessness, far simpler and cheaper than any alternative. But experienced politicians, such as Newsom and Sacramento mayor Darrell Steinberg (a former leader of the state senate), have become aware of Housing First's gross impracticalities. Here's how a progressive Housing Firster imagines success: an encampment emerges, community members object to it as a public nuisance, and government promptly provides the dozens or hundreds of inhabitants of this encampment with their own subsidized private apartments. Experienced politicians know that things will never work like that.

Housing Firsters believe in devoting maximum resources to permanent supportive housing, but if one scans the landscape of California homelessness programs, one finds many examples of funding going toward other priorities. In this year's budget, state government will devote hundreds of millions of dollars to dismantling encampments; an August 2022 press release put out by Governor Newsom celebrated how "California Clears More than 1,250 Homeless Encampments in 12 Months" and featured pictures of the governor himself participating in cleanups. The federal Ninth Circuit Court of Appeals' 2018 *Martin* v. *Boise* decision prohibited cities from banning or tightly regulating camping in public unless they have provided their unsheltered population with an alternative to street-sleeping. Progressive advocates hailed *Martin* v. *Boise*, but it has led to more investment in shelters, which advocates see as a counterproductive diversion of resources.

The qualifications that California has had to put on its commitment to Housing First have resulted in strategic incoherence. What's going on is neither orthodox Housing First nor some alternative philosophy that has replaced it. The reason: political conditions aren't yet ripe for a full sea change on homelessness in California. Notwithstanding all the public outcry, the crisis has had only modest political repercussions. Beginning in the early 2000s, the once-mighty California GOP began an inexorable decline into irrelevance. The intensification of the state's homelessness crisis, under Democratic rule, has done nothing to reverse that development. The attempted recall of Newsom in 2021 was more about homelessness than any other issue, but he handily defeated the effort. One recall candidate was Kevin Faulconer, Republican mayor of San Diego during the 2010s, who managed to reduce homelessness in his city at a time when it was getting worse everywhere else in the state. Yet, despite a compelling record on the issue of the day, he ran third among the contenders to replace Newsom, and far behind Newsom himself. Newsom coasted to reelection in 2022. Much like his predecessor Jerry Brown, Newsom has become a skilled practitioner of the politics of co-optation, throwing the occasional jab at far-left ideologues as a way of preserving the status quo.

At the local level, San Francisco seems better positioned to make progress on homelessness than Los Angeles. Stirrings of sanity in the City by the Bay include an August 2022 property-tax revolt among small-business owners in the Castro, fed up with disorder, and the success of two centrists (Joel Engardio and Matt Dorsey) in closely fought races for supervisor this past November. Most notably, voters recalled progressive prosecutor Chesa Boudin in June 2022 and elected his more law-and-order-oriented successor, Brooke Jenkins, first appointed by Mayor London Breed, in November 2022. Though big changes should not be expected in San Francisco—Mayor Breed is another consummate co-opter—progressive hopes are on pause for now.

Los Angeles is in a darker place. Last year, two incumbent city councilmembers, Gil Cedillo and Mitch O'Farrell, both liberal Democrats, lost reelection bids to challengers endorsed by the Democratic Socialists of America–Los Angeles and who campaigned on platforms of more accommodation toward encampments. Voters also turned out Sheriff Alex Villanueva, one of the last Southern California elected officials with a law-and-order brand and who had served, in county politics, as a vital counter against the irresponsible "defund the police" agenda of the Board of Supervisors. Lastly, Angelenos voted "yes" on Proposition ULA, thus authorizing higher taxes for more low-income housing and belying the notion that HHH's disappointing legacy has somehow made the public ready to "starve the beast." Los Angeles appears poised to become more progressive on homelessness and street disorder in the 2020s than it was in the 2010s.

California is host to half the country's unsheltered population. Over the last decade, many encampments have taken on massive scale and acquired proper names: Ross Camp in Santa Cruz (about 200 people, dismantled in 2019); Echo Park Lake and the Venice Boardwalk in Los Angeles (200 people each, dismantled in 2021); in San Jose, the Jungle (300; 2014) and an even larger camp near the airport (500; 2022); Division Street in San Francisco (350; 2016); Wood Street in Oakland (200; 2022); Palco Marsh in Eureka (300; 2016); the Santa Ana Riverbed ("Skid River") in Orange County (1,000; 2018); and the Joe Rodota Trail in Sonoma County (300; 2020). Scale attracts a criminal element and increases all manner of risks: infectious-disease outbreaks caused by deficient sanitation and hygiene, fires that threaten not only lives but also nearby energy and transportation infrastructure (most fires that the Los Angeles Fire Department responds to are homelessness-related), sexual assault, overdoses, and so on. The experience of public housing taught Americans about the hazards of concentrating poverty, but the average encampment is host to a far more troubled population than even the most derelict housing project.

A more common sight than the brand-name tent cities set up in parks or outside central business districts are smaller groups of tents, spread throughout dense urban areas. These lead to just as much public outcry because it doesn't take many tents to diminish residents' and businesses' quality of life. No one, even if poor or mentally ill, should be allowed to take public property for his own private use via do-it-yourself eminent domain. Encampment cleanups are the democratic thing to do. Left-wing critics criticize them as a futile exercise in Whac-A-Mole that just shifts the problem around. But in the world of homelessness, success is relative. Building housing has not proved effective. Between 2015 and 2020, California expanded the number of permanent supportive housing units in the state by almost one-third (15,700), while the unsheltered count grew by 50 percent (40,000). Even if all that housing didn't reduce homelessness, advocates argue, it prevented it from getting a lot worse. By the same token, however, cleanup proponents can argue that, absent enforcement, California would have on its hands even larger encampments—and in more places.

Homelessness is a housing problem in the sense that low-income Californians face a dire shortage of rental units within their means. Efforts to create more subsidized housing—both through mainstream affordable-housing programs and supportive-housing efforts targeted to the currently homeless—will continue. But in the short and intermediate terms, subsidized housing must be coupled with other approaches if California is to make any headway in managing homelessness.

Policymakers should keep expanding intermediate-length transitional programs as an alternative to both permanent supportive housing and traditional shelter. The next logical step in this expansion should be more sobriety-oriented homelessness programs, which remain overly stigmatized in California's Housing First culture. More sober housing programs would provide homelessness policy in California with some desperately needed success stories. Sober programs also have a reputation as safer than programs with a laxer attitude toward whether tenants are using drugs or alcohol. Unsheltered homeless often cite unsafe conditions in shelters as one reason that they stay on the streets. To the extent that that complaint is sincere, sober programs can respond to it. They can also help repair "burned bridges" with friends and family. Someone who sticks with a program that has behavioral requirements sends an objective signal to former friends and family that he has changed. More "inclusive" Housing First–style programs cannot do that.

Above all, on housing, policymakers should try to stop the bleeding. They must make a determined effort to preserve what few low-rent (even if low-quality) housing options remain.

Examples include board-and-care homes for the mentally disabled and SROs in San Diego, both of which have been declining during the recent era of rising homelessness.

Other specific steps should be pursued as well—including the repeal of SB 1380, California's Housing First law, which it does not need. Some people are best served by permanent supportive housing or other "low barrier" programs, but many others are not, and this second cohort is now being neglected by state policies. Without SB 1380, many avenues would remain to pursue funding for permanent supportive housing, including ballot initiatives and city- and county-funded programs. In the homelessness context, California spends too much time debating process and administration. Often, what passes for a robust exchange is little more than city versus county versus state blame-gaming. Public officials should spend more time debating philosophy; taking up SB 1380's repeal would be one way to pursue that end.

**"Shutting down open-air drug markets in hot spots may make it easier to coax tent-dwellers to accept services."**

Another step would be to pursue creative litigation. Democracy suffers when courts, instead of elected politicians, make policy. But when faced with one-party rule and aggressive public-interest law groups, asking centrists and conservatives not to pursue policy aims via litigation looks like a request for unilateral disarmament. The LA Alliance on Human Rights is a private organization that, through the courts, has constructively pressured city and county government to expand both shelter and enforcement in Los Angeles. If nothing else, pro-public-order litigation may force the eventual involvement of the U.S. Supreme Court to clarify the still-disputed parameters of encampment enforcement. (In late 2019, the Court declined to hear an appeal on *Martin* v. *Boise*.)

Finally, the criminal-justice system's role in homelessness policy needs to be reaffirmed. Questions about law enforcement and homelessness tend to focus narrowly on camping regulations, but a larger context exists. Over the past ten to 15 years, California has pursued an increasingly progressive agenda on criminal justice. Examples include the passage of Prop. 47 in 2014 and the ongoing push to close Men's Central Jail in Los Angeles, which would slash capacity in that county's jail system by about 25 percent. It cannot be a coincidence that California's criminal-justice-reform era has coincided with, per popular impression, the worsening of the homelessness crisis. More enforcement of all laws would help site new housing programs. A commitment to expanded, targeted enforcement around a new shelter or supportive housing facility would neutralize neighborhood concerns about disorder far more effectively than simply admonishing people to trust in social and health systems long notorious for their failures. Shutting down open-air drug markets in homelessness hot spots like the Tenderloin would improve conditions and may well make it easier to coax some tent-dwellers to accept services. This would require directing police to get more involved in social problems than many California Democrats now consider appropriate. But social work and police work should not be viewed as mutually exclusive.

California's homelessness crisis may not have led to a political revolution, but it has engendered great distrust of government. The homeless themselves, as well as residents and business owners, have endured years of dashed hopes. Under-promising and over-delivering now seem like the most prudent course for government to take, but popular impatience requires at least some wins in the near term, such as the reclamation of trails and parks for public use. Good intentions long ago ceased to suffice. Enforcement actions will continue to be criticized as shortsighted. But excessive faith in solutions that proponents insisted would succeed has led to a legacy of broken promises and cynicism.

*Stephen Eide is a senior fellow at the Manhattan Institute, a contributing editor of* City Journal, *and the author of* Homelessness in America.

# THE ABSURDITIES OF OUR AGE

## *WHAT CANNOT GO ON, WILL NOT GO ON AND ALL THE ABSURDITIES OF THE PRESENT WILL END WITH A BANG NOT A BANG BUT A WHIMPER*

**BY VICTOR DAVIS HANSON**

A sign of a civilization in headlong decline is its embrace of absurdities. Unfortunately for the United States, we are witnessing an epidemic of nihilist nonsense. Here are a few examples:

### Reparations

How could a dysfunctional state like California even contemplate $800 billion in reparations?

The state currently faces a $31 billion annual deficit—and it's climbing. The state's $100 billion high-speed rail project is inert, a veritable Stonehenge of concrete monoliths without a foot of track laid down.

California's income tax rates are already the highest in the nation. Its sales taxes, electricity rates, and gas taxes and prices are among the steepest in the country. And for what?

Crime, homelessness, and medieval decay characterize the once great downtowns of San Francisco and Los Angeles. It is now not safe to walk alone in any major California city after dark.

Shoplifting and smash-and-grab theft are no longer treated as real crimes. The result is the mass flight of brand stores from our downtowns and inner cities, with all the accustomed cries of "racism," even as racist public prosecutors pick and choose whether to indict the arrested on the basis of race.

California infrastructure, once the best in the county, is now among the worst. Decaying and crowded freeways, inadequate water storage, and pot-holed streets are the new norm. Once robust gas, oil, mining, and timber industries are nearly inert.

The state's public schools are dysfunctional. Once premier public universities are spiraling headlong into decline—junking scholastic tests for admissions, using illegal racial quotas to warp admissions, and institutionalizing racialized dorms and graduation ceremonies.

Even if California enjoyed a huge surplus, even if 300,000 residents were not fleeing the state each year, even if California had a history of being a Confederate slave state, even if whites were the majority of the population, even if the black population was greater than its present 5-6 percent, it would be insane for the state to even contemplate racial reparations.

Twenty-seven percent of the state's residents were born outside of the United States, and have no American ancestors. The state is the most racially diverse in America, and one in which every group could, in theory, lodge complaints against the dead of the past. Mexican-Americans, Armenians, Asians, and the descendants of the impoverished "Okie" diaspora could all cite legacies of bias—but from whom exactly? The long dead?

For those of increasingly mixed heritage—about a quarter of the state—did their own ancestors oppress their own ancestors? Are all blacks sure that eight generations ago their individual ancestors were slaves outside of California, and therefore they have monetary grievances against those in the state whose ancestors eight generations ago might have owned slaves outside of California? And can such writs be documented?

Do we really wish to go down this path of destroying individuality and insisting that superficial appearance damns us to a collective rooted in the past?

If so, are we to tally up the half-century role of racial quotas to calibrate all the impoverished whites of the last 50 years who were discriminated against in admissions and hiring? Have there not been existing reparations from the decades-long implementations of racial preferences and exemptions—or perhaps in some $20 trillion dollars in reparatory transferences during a half-century of Great Society entitlements?

If we are collectives and not individuals anymore, are all of us to be judged by adding up our group's historical and current pluses and minuses?

If so, do we add or subtract reparatory charges based on group data? If one race is vastly overrepresented in hate crimes or interracial crime statistics, and other groups vastly underrepresented as perpetrators, is it the role of the state now to intervene and provide reparatory and collective "equity" from one collective for the relatives of the victims of another collective?

Are we really convinced that past institutional racial bias is all-determinative of present opportunity? If so, why do Asians nationally as a collective on average earn $20,000 a year more than non-Hispanic whites—despite past exclusionary immigration laws, forced government relocations, and zoning prohibitions? Was there some unknown university study that postulated that the Japanese-internment or early 20th century Yellow Peril exclusionary immigration statutes were irrelevant to Asian-American upward mobility?

## Inequality Under the Laws

Ideology now has made a mockery of the cherished traditions of blind justice and equality under the laws. Whether you are arrested, indicted, and convicted increasingly hinges on your politics.

During the 120 days of 2020 riots, looting, arson, and assault that saw $2 billion in damage, 35-40 killed, hundreds of injured police officers, and 14,000 arrests, were there mass detentions, thousands of convictions, and lengthy sentences handed out to Antifa and BLM members for the violence? After all, the insurrectionary rioters staged iconic attacks on the idea of government, whether defined as torching a police precinct or federal courthouse.

Why then were so many protestors of January 6 demonstrations at the Capitol that saw no violent deaths at the hands of another—except a Trump supporter lethally shot for the misdemeanor of entering a broken window of the Capitol—given lengthy prison sentences?

George Floyd—a 6’4”, 223 pound black career violent felon, arrested while suspected of passing counterfeit money, serially high on dangerous drugs, resisting arrest—was choked into unconsciousness while resisting arrest by a reckless white police officer.

Floyd was canonized as an American hero, often portrayed with halo and angelic wings.

The officer was convicted of second-degree murder and is serving combined state and federal prison sentence of over 40 years.

A white Ashli Babbitt, 5’2”, 113 pounds, a 14-year military veteran, and, like Floyd, unarmed, was lethally shot for the crime of entering a broken window in the Capitol by a black policeman.

Postmortem, her life was smeared and slandered, her shooter canonized. Was Babbitt some sinner, Floyd a saint? The choker officer Chauvin a Satan, the lethal shooter cop Byrd godly? The petite Babbitt a mortal danger stopped only by a bullet, the huge and uncooperative Floyd supposedly easy to arrest with no need of force?

Why were the downtowns of Washington, D.C. and Seattle simply hijacked and expropriated by violent groups with impunity, while federal troops were forbidden to assist overtaxed local law enforcement? Was that not in stark contrast to the barbed wire, 20,000 soldiers and barricades that marked Washington for weeks after the Capitol demonstrations?

Why was there not to be a 2020 riot congressional commission to investigate the deaths and destruction caused by groups who crossed state lines to plan and orchestrate the violence, often weaving their conspiracies with the aid of social media?

## Nullification

Did we not fight a Civil War to reestablish that states and locales could not ignore federal laws?

Why did 550 local and state jurisdictions, in old Confederate South Carolina style, declare with impunity that federal immigration law did not apply in their territories? Does the Left now believe in such neo-Confederate principles? Would it applaud counties that rendered federal endangered species, or handgun-control statutes null and void in their jurisdictions?

Or do we now declare some nullifications good and others bad, depending on our own politics?

How did the Biden Administration simply suspend all immigration law to greenlight 6-7 million illegal entries across the southern border since January 2021? Did Biden not take an oath to execute our laws faithfully?

Does any president now have the right to order the executive branch not to execute entire bodies of federal law? Will the next president declare entire sections of EPA statutes inert by de facto nonenforcement to appease a particular political base?

At any time, did Joe Biden send a bill to Congress requesting that anyone can now cross U.S. borders without identification and legal sanction?

So do citizens fly into JFK or LAX from foreign countries and simply announce that they either forgot their passports or never obtained them? And as a reward for lack of an ID or legal permission, are they still allowed into the United States and given a free phone, and a free hotel room? Do we have one set of laws for citizens, and another for non-citizens? And if so, why?

## Rogue Agencies

How can a former FBI director under oath claim amnesia or ignorance 245 times during congressional testimony, or leak a classified account of a private conversation with a president with complete impunity, as did James Comey?

How can an FBI director, as did Andrew McCabe, lie on four occasions with impunity to federal investigators? Is it now the case that FBI directors at times must lie and deceive as part of their job descriptions?

How can a former FBI director, as in the case of Robert Mueller, with all seriousness deny under oath any knowledge of Fusion GPS or the Steele dossier, whose controversies prompted his own special counsel appointment? Can citizens tell inquisitive IRS auditors that they have no memory of deductions in question?

Why is there still an FBI after it has been confessed that it paid a foreign national, Christopher Steele, to compile dirt against a presidential candidate—and paid his source in Washington to provide Steele with false information to impugn a presidential candidate? How did the FBI manage to play a central role in both the 2016 and 2020 elections in efforts to alter the result?

How can a legitimate FBI knowingly submit such information that it knew was false to a federal judge to spy on an American citizen to further a farcical plot to destroy a presidential campaign?

So what will the FBI not do? Forge documents? Offer in vain $1 million to a foreign national to verify just one fact in a fake, bought dossier used to obtain a FISA warrant? Disappear cell phone data under subpoena?

Have high-ranking officials promise that a presidential candidate will never be elected? Infiltrate Latin-Mass Catholic Church services and school board meetings to monitor the activities of church-goers and parents in attendance?

Use armed performance-art SWAT teams to swoop into private homes to arrest suspects accused of mostly misdemeanors? Hire out social media private companies like Twitter to suppress free expression deemed by the FBI unhelpful or problematic?

Suppress information about an FBI-confiscated Hunter Biden laptop, while keeping mum as former intelligence officers lie absurdly before a national election that the computer in FBI hands was likely the work of Russian disinformationists—to aid a presidential candidate in a debate and harm the incumbent?

Destroy the lives of any whistleblowers who expose such miscreant behavior to Congress?

## Printing Money

The journalist/historian Paul Johnson famously once wrote that the tripartite duty of any government leadership was "to ensure external security, internal order and maintenance of an honest currency."

We certainly do not maintain an honest currency by borrowing 130 percent of annual GDP, with a looming debt of $33 trillion, an annual $1.5 trillion-plus budget deficit, and a 2022 annualized 6.5 percent inflation rate.

But statistics mask the real problem, which is a mentality of suicidal spending passed off as juvenile "modern monetary theory." Unlimited borrowing as a "theory" is the academic idiocy that some socialist hare-brained professors dreamed up to excuse printing money we do not have.

Both parties have run up the debt. Yet the culpability mounts as each successive president adds to the crushing debt, in fear that on his watch the medicine of restraint will be worse than the disease of insolvency.

Note how casually the federal government burns through billions of dollars. We still have no idea how many billions of dollars in arms and equipment the military shrugged away in Kabul. Who cares anyway whether the terrorist Taliban is becoming one of the largest dispensers of U.S. taxpayers' weaponry?

Currently, Joe Biden lies that by not spending allotted money he somehow is the greatest deficit hawk in memory, as he rams through a $1.5 trillion 2023 budget deficit.

The top federal income tax rate is 37 percent. In California, to take the example of our largest state, the top state bracket is 13.3 percent. Income subject to federal payroll taxes is 15.3 percent for the self-employed—and income subject to that crushing take is a whopping $160,200.

The above taxes are well aside from capital gains taxes, sales taxes, property taxes, and fuel taxes, which, along with income taxes, can easily take 50-60 percent of one's middle-class income. Note that the government not only does not appreciate the crushing extractions but targets for auditing those who pay at that rate. And all this tax revenue leads to what? Multitrillion-dollar budget deficits and unsustainable national debt.

Adding insult to injury, our current White House occupant, Mr. "Ten-Percent"/ "The Big Guy" Joe Biden demagogues as "greedy" anyone who resents the wastage of federal spending after handing over half his income to the government. Yet did the Bidens report all their past foreign income and pay at that rate? Could Joe have ensured that his son first paid all he owed to the IRS before he smeared other Americans as not paying their fair shares?

A sane country would immediately reboot and update the old Simpson-Bowles reduction and simplification of taxes and spending proposals that would gradually work our way toward a balanced budget—and maybe, in a century, pay off what we have borrowed. But we know that is impossible since we would hear ad nauseam that such fiscal integrity was racist, heartless, and cruel.

So we will keep up borrowing and printing bread-and-circus money until, like the late fourth-century polis, or late imperial Rome, there is finally no money for the upkeep of infrastructure, domestic law and order, and deterrence against foreign enemies.

Then what cannot go on, will not go on and all the absurdities of the present will end with a bang not a whimper.

*Victor Davis Hanson is a distinguished fellow of the Center for American Greatness and the Martin and Illie Anderson Senior Fellow at Stanford University's Hoover Institution. He is an American military historian, columnist, a former classics professor, and scholar of ancient warfare. He has been a visiting professor at Hillsdale College since 2004. Hanson was awarded the National Humanities Medal in 2007 by President George W. Bush. Hanson is also a farmer (growing raisin grapes on a family farm in Selma, California) and a critic of social trends related to farming and agrarianism. He is the author most recently of The Second World Wars: How the First Global Conflict Was Fought and Won, The Case for Trump and the recently released The Dying Citizen. This article appeared in the American Greatness .*

# ANNOUNCEMENTS

# ANDY CALDWELL SHOW NOW LOCAL IN SLO COUNTY

Now you can listen to THE ANDY CALDWELL SHOW
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We are pleased to announce that The Andy Caldwell Show is now broadcasting out of San Luis Obispo County on FM 98.5 in addition to AM 1290/96.9 Santa Barbara and AM 1240/99.5 Santa Maria

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THE only show of its kind on the Central Coast covering local, state, national and international issues! 3:00-5:00 PM WEEKDAYS
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## COUNTY UPDATES OCCUR MONDAYS AT 4:30 PM
### MIKE BROWN IS THE REGULAR MONDAY GUEST AT 4:30!


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**VICTOR DAVIS HANSON ADDRESSES A COLAB FORUM**


**DAN WALTERS EXPLAINS SACTO MACHINATIONS AT A COLAB FORUM**


**AUTHOR & NATIONALLY SYNDICATED COMMENTATOR BEN SHAPIRO APPEARED AT A COLAB ANNUAL DINNER**

**NATIONAL RADIO AND TV COMMENTATOR HIGH HEWITT AT COLAB DINNER**

**MIKE BROWN RALLIED THE FORCES OUTDOORS DURING COVID LOCKDOWN**

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**Sustaining Member: $5,000 +❑ $ _______**

*(Sustaining Membership includes a table of 10 at the Annual Fundraiser Dinner)*

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I would like to contribute $ ____________ to COLAB and my check or credit card information is enclosed/provided.

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