COLAB
San Luis Obispo County

The Coalition of Labor Agriculture and Business

WEEKLY UPDATE
JUNE 2 - 8, 2024

THIS WEEK
SEE PAGE 4

BOARD OF SUPERVISORS MEETING

BUDGET REVIEW WEEK
PROBABLY ONLY A FEW HOURS OF A LOVE FEST

SEE OUR LIST OF POSSIBLE REDUCTIONS & QUESTIONS

LAST WEEK
SEE PAGE 20

NO BOARD OF SUPERVISORS MEETING

SLOCOG MEETING

ZERO EMISSION VEHICLE ACTIVITY
BAN EVS? 15 REASONS ELECTRIC CARS SHOULD BE OFF OUR ROADS FOREVER

RHNA PROGRESS - 2023 ANNUAL "PROGRESS" REPORTS

The County and 7 cities are slowly grinding away at meeting their Regional Housing Needs Assessment (RHNA) requirements

LEGISLATIVE UPDATE

HOW THE LARGE STATE BUDGET DEFICIT DEVELOPED

COLAB San Luis Obispo is seeking an experienced Executive Director to lead the organization's advocacy and education efforts. This position will report directly to the Board of Directors, and will oversee administration, staffing, scheduling, and communications in addition to being COLAB's principal advocate for a stronger business environment in our region. Qualified candidates will have experience in government, public policy, advocacy, and/or law, experience managing employees, and exemplary communication skills. (This is a 1099 Misc. position.) Interested parties may submit questions, or resumes and cover letters to colabslo@gmail.com.

EMERGENT ISSUES

SEE PAGE 29

REFORMING US COMMERCIAL LAND USE REGULATIONS COULD INCREASE GDP BY $1 TRILLION PER YEAR

TIME FOR GREENS TO FOLLOW THE CONSTITUTION

Recent court rulings on government takings could force climate advocates to seek voter approval for their costly energy policies

CALIFORNIA WANTS TO BE CARBON NEUTRAL BY 2045

WHAT DOES THAT MEAN FOR ITS BIG ECONOMIC DRIVERS?

WHO BUYS ELECTRIC CARS IN CALIFORNIA — AND WHO DOESN'T?

PLASTIC BAG BAN FRAUD: CALIFORNIA LAWMAKERS VOTE TO NOW BAN 'REUSABLE' PLASTIC GROCERY BAGS

'It's very unlikely that many animals are killed by plastic bags'

THE DAILY CHART: GONE TO POT?

Evidence continues to accumulate that our rush to legalize marijuana is a major mistake

COLAB IN DEPTH
SEE PAGE 42

TAKING BACK CALIFORNIA - PART FIVE: ABUNDANT WATER

As with energy, water shortages in California are largely the product of political choices. And as with energy, this is an opportunity for politicians willing to present voters with alternatives.

BY EDWARD RING

SPONSORS

THIS WEEK'S HIGHLIGHTS
ALL MEETINGS ARE AT 9:00 AM UNLESS OTHERWISE NOTED

Board of Supervisors Meeting of Monday, June 3, 2024 (Scheduled) – Note, if more time is required the meeting will be continued to Tuesday, June 4, 2024 and/or June 5, 2024 at 9:00 AM

Item 1 - Public Comment for Matters not on the agenda.

Item 2 - Hearing to consider the Fiscal Year 2024-25 Recommended Budget, including Special Districts with requests to 1) review and discuss the FY 2024-25 Recommended and Supplemental Budget documents; 2) approve a resolution adopting the FY 2024-25 budget; 3) approve a resolution adopting the FY 2024-25 Position Allocation List; 4) approve a resolution to accept the FY 2024-25 Appropriation Limitation calculation for the County of San Luis Obispo and Board governed special districts, as required by the Gann Amendment to the California State Constitution; 5) close the FY 2024-25 budget hearing; and 6) authorize the Auditor-Controller Treasurer-Tax Collector Public Administrator to make loans between funds for cash flow purposes.
The County's Recommended and Supplemental Budget documents can be viewed at the following link: **https://www.slocounty.ca.gov/Departments/Administrative-Office/Administrative-and-Budget-Services/Services/About-the-County-s-Budget.aspx**

The overall FY 2024-25 Proposed County Budget totals $993,748,366, just $6.3 million shy of $1 billion**.** It is likely they will "discover" more revenue during the hearings or later in the year, which will allow them to scale up expenditures and join the billion dollar club. This might not happen this year if the State substantially reduces funding to Counties as a result of its large multi-year Budget deficits. It will not be known until the middle or end of June if there will be any State engendered major reductions.

State Controller Schedules County Budget Act	County of San Luis Obispo All Funds Summary Fiscal Year 2024-25						Schedule 1
	Total Financing Sources				Total Financing Uses		
Fund Name	Fund Balance Available June 30, 2024	Decreases to Obligated Fund Balances	Additional Financing Sources	Total Financing Sources	Financing Uses	Increases to Obligated Fund Balances	Total Financing Uses
1	2	3	4	5	6	7	8
Governmental Funds							
General Fund	$ 42,262,881	$ 4,989,492	$ 693,931,513	$ 741,183,886	$ 736,413,003	$ 4,770,882	$ 741,183,885
Special Revenue Fund	609,325	3,041,327	73,795,580	77,446,232	70,996,804	6,449,429	77,446,233
Debt Service Fund	2,900,000	---	23,886,172	26,786,172	19,178,372	7,607,800	26,786,172
Capital Projects	---	---	6,360,000	6,360,000	6,360,000	---	6,360,000
Total Governmental Funds	$ 45,772,206	$ 8,030,819	$ 797,973,265	$ 851,776,290	$ 832,948,179	$ 18,828,111	$ 851,776,290
Other Funds							
Enterprise Fund	$ ---	$ 4,903,117	$ 35,277,816	$ 40,180,933	$ 35,461,036	$ 4,719,897	$ 40,180,933
Internal Service Fund	---	3,462,158	87,675,469	91,137,627	86,545,564	4,592,063	91,137,627
Special Districts and Other Agencies	346,084	919,168	9,388,264	10,653,516	10,476,172	177,344	10,653,516
Total Other Funds	$ 346,084	$ 9,284,443	$ 132,341,549	$ 141,972,076	$ 132,482,772	$ 9,489,304	$ 141,972,076
Total All Funds	$ 46,118,290	$ 17,315,262	$ 930,314,814	$ 993,748,366	$ 965,430,951	$ 28,317,415	$ 993,748,366

The arrow points to the true grand total which is only disclosed in an obscure table on page 657.

The published Budget book and Board review focuses on a sub-component technically listed as the Governmental Funds Budget. This is summarized in the 3 data view table below. It totals $852.8 million. The 3 data views include the same totals but display them as:
1. Financing Sources (Revenues)
2. Use of Financing by Function (Expenditures)
3. Uses of Financing by Type (What the dollars actually buy)

Financing Sources and Uses Summary

Description	2021-22 Actual	FY 2022-23 Actual	2023-24 Final	FY 2024-25 Recommended
Financing Sources				
Taxes	246,503,420	259,485,120	268,681,743	282,232,856
Licenses and Permits	12,561,188	14,923,826	16,393,245	15,904,306
Fines, Forfeitures and Penalties	3,821,371	3,902,820	4,369,539	4,469,186
Revenue from Use of Money & Property	4,183,530	9,137,417	8,197,099	10,618,404
Intergovernmental Revenues	323,675,921	362,558,813	355,025,785	376,260,952
Charges for Services	31,791,694	34,080,965	34,590,758	33,685,978
Other Revenues	34,629,778	38,271,045	40,630,460	40,744,554
Fund Balance	0*	0*	57,088,334	45,772,206
Use of Reserves & Designations	0*	0*	19,265,855	8,030,819
Other Financing Sources	57,264,973	48,597,998	40,780,605	34,057,028
Decreases to Fund Balance	0	0	0	0
*cancellation of reserves and designations and use of fund balance included in Other Financial Sources				
Total Financing Sources	**714,431,875**	**770,958,004**	**845,023,423**	**851,776,290**
Uses of Financing by Function				
Land Based	55,853,366	68,678,108	69,910,794	69,416,706
Public Protection	183,878,614	200,485,901	210,582,453	226,046,790
Health and Human Services	269,555,065	302,882,295	331,653,681	350,588,823
Community Services	24,804,433	27,192,770	27,715,530	28,091,374
Fiscal and Administrative	31,665,053	35,918,176	33,667,683	33,366,573
Support to County Departments	37,316,447	44,320,133	47,069,174	48,388,138
Financing	41,016,292	52,429,117	43,618,476	34,009,734
Capital and Maintenance	3,486,341	3,543,551	14,892,118	9,074,000
Contingencies	0	0	34,116,916	33,966,041
Reserves & Designations	0	0	31,796,598	18,828,111
Increases (Decreases) to Fund Balance	66,856,264	35,507,953	0	0
Total Financing by Function	**714,431,875**	**770,958,004**	**845,023,423**	**851,776,290**
Uses of Financing by Type				
Salary & Benefits	335,560,816	361,936,502	402,286,271	415,891,219
Services & Supplies	227,845,653	260,417,236	256,749,422	278,874,100
Other Charges	122,370,694	145,367,432	134,037,833	127,971,334
Fixed Assets	39,800,037	39,611,706	22,756,460	16,311,203
Transfers	(78,001,589)	(71,882,825)	(36,720,077)	(40,065,718)
Increases to Reserves/Designations	0*	0*	31,796,598	18,828,111
Increases/(decreases) to Fund Balance	66,856,264	35,507,953	0	0
Contingencies	0*	0*	34,116,916	33,966,041
*use of reserves and designations and contingencies are included in individual financing types				
Total Financing by Type	**714,431,875**	**770,958,004**	**845,023,423**	**851,776,290**

A major omission in the County's presentation within all of its summary presentations is that the estimated actual amounts for the current FY 2023-24 fiscal year are omitted. These should be included in a column between the Final and the Recommended. The data are available, as they are presented at the Department level in the detail. Thus the public and the Board are missing

some of the most critical summary data for assessing the reasonableness of the New Year budget requests in the big picture.

The balance of the Budget, not included in the Government Funds Book, are included in a separate publication entitled the Special Districts and other Agencies Book, which is prepared by the Department of Public Works. The actual presentation is largely incomprehensible and is in a very different format from the regular budget. There are no explanations, performance data, or other interpretation.

This $141.9 million therefore flies under the radar and receives no formal scrutiny. Each year COLAB has pointed this out. Various staffers have told us that presentation reforms might come in the future; however, the County's current financial software cannot handle a more comprehensive program performance approach. Reportedly, the County has contracted with a software vendor and will be installing a new system.

One project listed in the workload (Page 468) of the Information Technology Department states:

Complete requirements gathering, evaluate solutions, select a vendor, and initiate the implementation of a new Enterprise Resource Planning (ERP) system.

This might be the new finance system, but it's not clear from the title.

The Auditor Controller also lists this effort as a project (Page 410):

As part of the replacement of the County's Enterprise Resource Planning (ERP) system, the County will complete a County wide needs assessment; issue a vendor Request for Proposal (RFP); evaluate and select a software vendor and implementor; and execute a contract and Statement of Work by the end of 2024

The project is not listed in the CAO's budget narrative.

In General: In the past, the Board's budget review has been confined to a few hours and absent any real penetrating questions. In fact, the session is generally a lovefest, with CAO staff and some of the Department Heads receiving praise for all of their great work.

A key presentation issue is that the staff calculates the change (growth of the budget) from the 2023-24 Final Adopted Budget to the FY 2024 -25 Recommended. Because many departments underrun their adopted Budget, this technique has the effect of making the growth look smaller than it actually totals. A number of examples are listed below. The Board should minimize the staff presentations and take the time to go through each Fund Center in detail to ascertain the actual year over year difference from the estimated actual and reduce the proposed increases accordingly. Other than contractual labor costs or staffing increases generated by policy approved program improvements, why would the Board provide more funding in the New Year than they expended in the current year given that the overall budget policy is a status quo budget? The Board should rigorously apply this decremental process.

Some Examples, Reductions, & Questions

Page 139 - Planning and Building:

FINANCIAL SUMMARY

	FY 2023-24 Adopted	FY 2023-24 Estimated	FY 2024-25 Requested	FY 2024-25 Recommended	Change from FY 2023-24
Licenses, Permits, and Franchises	$8,876,308	$7,196,869	$8,326,751	$8,326,751	$(549,557)
Fines, Forfeitures, and Penalties	$43,534	$48,296	$24,549	$24,549	$(18,985)
Intergovernmental Revenue	$0	$370,195	$0	$0	$0
Charges for Current Services	$1,426,873	$950,170	$1,291,742	$1,263,987	$(162,886)
Other Revenues	$1,647,749	$2,896,851	$1,459,571	$1,459,571	$(188,178)
Total Revenue	**$11,994,464**	**$11,462,381**	**$11,102,613**	**$11,074,858**	**$(919,606)**
Salary and Benefits	$17,480,272	$15,510,763	$18,075,480	$17,577,726	$97,454
Services and Supplies	$2,92[illegible]92	$6,606,045	$3,150,833	$[illegible]42,032	$121,440
Other Charges	$336,[illegible]00	$361,688	$89,153	$70,848	$(265,152)
Gross Expenditures	**$20,736,8[illegible]4**	**$22,478,496**	**$21,315,[illegible]66**	**$20,690,606**	**$(46,258)**
Less Intrafund Transfers	$(138,243)	$(85,022)	$(150,690)	$(150,690)	$(12,447)
Net Expenditures	**$20,598,621**	**$22,393,474**	**$21,164,776**	**$20,539,9[illegible]**	**$(58,705)**
General Fund Support	**$8,604,157**	**$10,931,093**	**$10,062,163**	**$9,465,058**	**$86[illegible]01**

The adopted salary budget was $17.5 million. But they are going to spend only $15.5 million ($ 2 million less). Then staff recommends $17.6 million in the New Year, FY 2024 -25 ($2.1 million more).The write-up indicates that negotiated salary increases account for only 1%, or $ 97,000. The Board should reduce the salary line by $2 million and general fund support by $2 million. Alternatively reduce fees by $2 million.

Page 150 - Public Works:

Please see the analysis on the next page below:

Land Based
FC 405 — Public Works

FINANCIAL SUMMARY

	FY 2023-24 Adopted	FY 2023-24 Estimated	FY 2024-25 Requested	FY 2024-25 Recommended	Change from FY 2023-24
Revenue from Use of Money & Property	$65,231	$260,000	$260,000	$260,000	$194,769
Other Revenues	$319,198	$242,866	$250,152	$250,152	$(69,046)
Interfund	$50,163,399	$51,036,309	$53,589,178	$53,675,156	$3,511,757
Other Financing Sources	$0	$41,851	$0	$0	$0
Total Revenue	**$50,547,828**	**$51,581,026**	**$54,099,330**	**$54,185,308**	**$3,637,480**
Fund Balance Available	$795,636	$0	$832,712	$832,712	$37,076
Total Financing Sources	**$51,343,464**	**$51,581,026**	**$54,932,042**	**$55,018,020**	**$3,674,556**
Salary and Benefits	$39,901,324	$38,779,561	$41,677,371	$41,713,349	$1,812,025
Services and Supplies	$[illegible]437,535	$10,992,318	$11,512,883	$11,512,883	$2,075,348
Other Charges	$7,303	$100,449	$6,787	$6,787	$(516)
Capital Assets	$1,[illegible]997,300	$1,226,042	$1,[illegible]735,000	$1,785,000	$(212,300)
Gross Expenditures	**$51,[illegible]43,462**	**$51,098,370**	**$54,[illegible]932,041**	**$55,018,020**	**$3,674,558**
Total Financing Requirements	**$51,[illegible]43,462**	**$51,098,370**	**$[illegible]4,932,041**	**$55,018,020**	**$3,674,558**

Source of Funds

Use of Funds

The adopted salary Budget was $39.9 million. But they are going to expend only $38.7 million (1.2 million less). Then staff recommends $41.7 million in the New Year, FY 2024-25. The write-up does not specify how much of the difference is attributable to negotiated salary increases, as it lumps services and supplies and salaries increases together. The Board should reduce the salary line by $3 million. The budget indicates that no general fund is utilized in this fund center. Since the County does not use a true program-performance budget, it is impossible for the lay person or the Board to understand how the salaries are allocated to various units and services of the Public Works Department.

Page 171 - Public Works Roads:

The overall road quality is stuck around a pavement condition index of 60 (out of 100).

Please see the County data on the next page below:

Department Goal: Maintain a good quality county-road system.

1. Performance Measure: Average Pavement Condition Index (PCI) for all county roads.

The Pavement Condition Index (PCI, also called Pavement Condition Rating) is a numerical index between 0 and 100 which is used to indicate the general condition of a pavement system. A PCI of 81-100 represents a Best road, 61-80 a Good road, 41-60 a Fair road, 21-40 a Poor road and below 21 a Bad road. The Board of Supervisors has established the goal of maintaining an average PCI of 65 or better, with no one road category (arterial, collector, local) falling below a PCI of 60. Maintaining a PCI 65 or better requires surface treating 60 miles and repaving 15 miles of roads each year.

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Target	65.00	65.00	65.00	65.00	65.00
Actual	59.00	59.00	60.00	60.00	

Notes: The average pavement condition index for all county roads is 60. Substantial and consistent investments beyond current program funding levels is necessary for the countywide average PCI to measurably improve.

2. Performance Measure: Percentage of County paved roads in Good condition having a PCI (pavement condition index) of 60 and above.

A PCI of 60 and above is considered a Good road with reasonable drive quality which can be cost effectively maintained in perpetuity.

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Target	66.70%	66.70%	67.00%	67.00%	67.00%
Actual	58.30%	61.36%	62.00%	64.00%	

Notes: Consistent with Board direction, staff continues to focus on increasing the miles of good condition roads. Meeting the target of 67% of Good roads is a multi-year effort and incremental improvement continues to be made.

The amount of local general fund contribution to roads decreased propitiously. A few years ago it was around $13.9 million, and now it's down to $6.5 million.

Land Based
FC 245 — Public Works - Roads

FINANCIAL SUMMARY

	FY 2023-24 Adopted	FY 2023-24 Estimated	FY 2024-25 Requested	FY 2024-25 Recommended	Change from FY 2023-24
Taxes	$2,104,577	$2,259,292	$2,140,033	$2,140,033	$35,456
Revenue from Use of Money & Property	$100,000	$379,905	$100,000	$100,000	$0
Intergovernmental Revenue	$24,001,242	$46,559,812	$23,220,537	$23,220,537	$(780,705)
Charges for Current Services	$358,022	$566,970	$358,751	$358,751	$729
Other Revenues	$0	$469,502	$0	$0	$0
Other Financing Sources	$6,740,576	$15,793,831	$6,451,076	$6,451,076	$(289,500)
Total Revenue	**$33,304,417**	**$66,029,312**	**$32,270,397**	**$32,270,397**	**$(1,034,020)**
Fund Balance Available	$825,356	$0	$0	$0	$(825,356)
Cancelled Reserves	$1,030,000	$0	$1,184,528	$1,184,528	$154,528
Total Financing Sources	**$35,159,773**	**$66,029,312**	**$33,454,925**	**$33,454,925**	**$(1,704,848)**
Services and Supplies	$25,434,081	$37,530,227	$26,291,940	$26,291,940	$857,859
Other Charges	$549,470	$1,556,700	$550,000	$550,000	$530
Capital Assets	$8,238,000	$50,375,087	$6,500,000	$6,500,000	$(1,738,000)
Transfers-Out	$112,866	$112,866	$112,985	$112,985	$119
Gross Expenditures	**$34,334,417**	**$89,574,880**	**$33,454,925**	**$33,454,925**	**$(879,492)**
New Reserves	$825,356	$0	$0	$0	$(825,356)
Total Financing Requirements	**$35,159,773**	**$89,574,880**	**$33,454,925**	**$33,454,925**	**$(1,704,848)**

Source of Funds | Use of Funds

Note: Ten years ago the County actually allocated more of its General Fund to roads than it does today. In fact, the entire Roads' budget was higher (see the page below).

Roads **Fund Center 245**
Fiscal Year 2014-15 Final Budget

MISSION STATEMENT
Provide public services related to the safe and efficient movement of traffic on the County maintained roadways.

Financial Summary	2012-13 Actual	2013-14 Actual	2014-15 Requested	2014-15 Recommended	2014-15 Adopted
Taxes	$ 1,460,779	$ 1,500,826	$ 1,504,077	$ 1,504,077	$ 1,504,077
Revenue from Use of Money & Property	15,878	13,861	15,000	15,000	15,000
Intergovernmental Revenue	18,771,928	20,254,775	27,651,885	27,651,885	27,651,885
Charges for Current Services	176,968	211,597	127,500	127,500	127,500
Other Revenues	217,155	167,691	26,830	26,830	26,830
Other Financing Sources	10,950,132	6,472,862	6,520,503	9,103,603	9,103,603
Interfund	104,528	143,473	0	0	0
Total Revenue	$ 31,697,368	$ 28,765,085	$ 35,845,795	$ 38,428,895	$ 38,428,895
Fund Balance Available	$ 1,056,718	$ 416,539	$ 0	$ 0	$ 3,249,984
Cancelled Reserves	847,000	944,564	541,202	541,202	541,202
Total Financing Sources	$ 33,601,086	$ 30,126,188	$ 36,386,997	$ 38,970,097	$ 42,220,081
Salary and Benefits	$ 0	$ 0	$ 0	$ 0	$ 0
Services and Supplies	17,208,794	17,170,436	16,686,195	17,269,295	17,269,295
Other Charges	550,685	370,461	1,298,958	1,298,958	1,298,958
Fixed Assets	13,614,312	8,982,152	18,401,844	20,401,844	20,401,844
Gross Expenditures	$ 31,373,791	$ 26,523,049	$ 36,386,997	$ 38,970,097	$ 38,970,097
Contingencies	0	0	0	0	0
New Reserves	1,186,718	416,539	0	0	3,249,984
Total Financing Requirements	$ 32,560,509	$ 26,939,588	$ 36,386,997	$ 38,970,097	$ 42,220,081

It was $11.7 million in FY2015-16 and $13. 8 million in FY 2016-17. The FY 2024-25 amount of $6.5 million is less than half.

See the County data on the next page below:

Public Works - Roads **Fund Center 24**
Fiscal Year 2015-16 Final Budget

MISSION STATEMENT

Provide public services related to the safe and efficient movement of traffic on the Count maintained roadways.

Financial Summary	2013-14 Actual	2014-15 Actual	2015-16 Requested	2015-16 Recommended	2015-16 Adopted
Taxes	$ 1,500,826	$ 1,592,407	$ 1,578,162	$ 1,578,162	$ 1,578,162
Revenue from Use of Money & Property	13,861	38,646	20,000	20,000	20,000
Intergovernmental Revenue	20,254,775	20,519,931	19,656,386	19,656,386	19,656,386
Charges for Current Services	211,597	160,195	140,500	140,500	140,500
Other Revenues	167,691	52,052	8,204	8,204	8,204
Other Financing Sources	6,472,862	8,830,840	8,032,835	11,773,390	11,773,390
Interfund	143,473	74,387	0	0	0
Total Revenue	$ 28,765,085	$ 31,268,458	$ 29,436,087	$ 33,176,642	$ 33,176,642
Fund Balance Available	$ 416,539	$ 3,249,984	$ 0	$ 0	$ 1,764,500
Cancelled Reserves	944,564	541,202	5,922,470	5,922,470	5,922,470
Total Financing Sources	$ 30,126,188	$ 35,059,644	$ 35,358,557	$ 39,099,112	$ 40,863,612
Salary and Benefits	$ 0	$ 0	$ 0	$ 0	$ 0
Services and Supplies	17,170,436	19,223,877	19,500,428	19,650,428	19,650,428
Other Charges	370,461	750,474	711,414	561,414	561,414
Fixed Assets	8,982,152	8,155,876	15,146,715	18,887,270	18,887,270
Gross Expenditures	$ 26,523,049	$ 28,130,227	$ 35,358,557	$ 39,099,112	$ 39,099,112
Contingencies	0	0	0	0	0
New Reserves	416,539	3,249,984	0	0	1,764,500
Total Financing Requirements	$ 26,939,588	$ 31,380,211	$ 35,358,557	$ 39,099,112	$ 40,863,612

Page 229 - Probation:

See the Budget on the next page below:

FINANCIAL SUMMARY

	FY 2023-24 Adopted	FY 2023-24 Estimated	FY 2024-25 Requested	FY 2024-25 Recommended	Change from FY 2023-24
Fines, Forfeitures, and Penalties	$52,450	$85,698	$70,450	$70,450	$18,000
Intergovernmental Revenue	$16,162,726	$15,429,945	$16,378,010	$16,778,869	$616,143
Charges for Current Services	$824,526	$531,011	$550,100	$550,100	$(274,426)
Other Revenues	$10,270	$10,810	$10,270	$10,270	$0
Total Revenue	**$17,049,972**	**$16,057,464**	**$17,008,830**	**$17,409,689**	**$359,717**
Salary and Benefits	$24,446,503	$22,563,794	$25,281,228	$25,633,532	$1,187,029
Services and Supplies	$6,7[illegible]994	$6,682,[illegible]	$7,081,221	$[illegible]77,082	$60,088
Other Charges	$11[illegible],000	$498,891	$0	$0	$(119,000)
Capital Assets	$4[illegible],980	$46,280	$0	$0	$(40,980)
Gross Expenditures	**$31,32[illegible],477**	**$29,791,068**	**$32,362,450**	**$32,410,614**	**$1,087,137**
Less Intrafund Transfers	$(277[illegible]260)	$(440,978)	$(45[illegible]123)	$(454,123)	$(176,863)
Net Expenditures	**$31,046[illegible]217**	**$29,350,090**	**$31,908,327**	**$31,956,491**	**$910,274**
General Fund Support	**$13,996[illegible]245**	**$13,292,626**	**$14,899,497**	**$14,546,802**	**$550,557**

Source of Funds

Use of Funds

The adopted salary Budget was $24.4 million. But they are going to expend only $22.5 million in the current year ($1.9 million less). Then staff recommends $25.6 million in the New Year, FY 2024-25. The write-up states:

Salary and benefits are increasing by $1,187,029 or 5% due to negotiated salary and benefits increases and recommended budget augmentation requests that will increase the Position Allocation List (PAL) by 3.00 FTE.

The Board should grab the $700,000 difference between the FY 2023-24 estimated actual and the augmented FY 2024-25 recommended (grossed up for labor contract costs and new positions.)

The performance measures for this department demonstrate a low level of achievement. Moreover, they are expressed as percentages. This means that no one on the Board or in the public has any idea of how large or difficult the Probation workload could be.

Page 247 - Sheriff:

FINANCIAL SUMMARY

	FY 2023-24 Adopted	FY 2023-24 Estimated	FY 2024-25 Requested	FY 2024-25 Recommended	Change from FY 2023-24
Licenses, Permits, and Franchises	$873,933	$621,255	$910,706	$881,729	$7,796
Fines, Forfeitures, and Penalties	$645,673	$625,284	$633,594	$633,594	$(12,079)
Intergovernmental Revenue	$35,570,482	$37,585,456	$38,512,030	$38,884,826	$3,314,344
Charges for Current Services	$1,801,965	$1,834,181	$1,846,511	$2,056,995	$255,030
Other Revenues	$153,265	$441,970	$904,170	$904,170	$750,905
Interfund	$760,337	$789,112	$793,169	$793,169	$32,832
Total Revenue	**$39,805,655**	**$41,897,257**	**$43,600,180**	**$44,154,483**	**$4,348,828**
Salary and Benefits	$85,820,157	$89,436,096	$92,017,159	$92,065,251	$6,245,094
Services and Supplies	$18,678,059	$20,477,729	$20,844,775	$20,615,166	$1,937,107
Other Charges	$0	$448,205	$152,708	$152,708	$152,708
Capital Assets	$507,065	$2,206,874	$268,137	$159,854	$(347,211)
Gross Expenditures	**$105,005,281**	**$112,568,904**	**$113,282,779**	**$112,992,979**	**$7,987,698**
Less Intrafund Transfers	$(1,596,977)	$(2,741,131)	$(152,602)	$(152,602)	$1,444,375
Net Expenditures	**$103,408,304**	**$109,827,773**	**$113,130,177**	**$112,840,377**	**$9,432,073**
General Fund Support	**$63,602,649**	**$67,930,515**	**$69,529,997**	**$68,685,894**	**$5,083,245**

Here the reader can see the fact that the Department's salaries were underfunded in the Current FY 2023-24 year by $3million, which has to be added by means of a 3rd quarter transfer. This was due to the County practice of refusing to forecast labor negotiations. The question then arises, is the $92.1 adequate for the new fiscal year or does the budget start out underfunded?

In this regard the write-up states in part:

Expenditures are recommended to increase by $9.4 million or 9%, due primarily to a $6.2 million or 7% increase in salaries and benefits driven largely by negotiated salary and benefit increases.
Does this cover all of FY 2024-25?

Page 293 - Public Health:

See the data on the next page below:

FINANCIAL SUMMARY

	FY 2023-24 Adopted	FY 2023-24 Estimated	FY 2024-25 Requested	FY 2024-25 Recommended	Change from FY 2023-24
Licenses, Permits, and Franchises	$33,072	$33,636	$47,057	$47,057	$13,985
Fines, Forfeitures, and Penalties	$103,000	$80,307	$103,000	$103,000	$0
Intergovernmental Revenue	$19,130,602	$22,013,877	$19,953,716	$20,520,993	$1,390,391
Charges for Current Services	$5,277,345	$5,323,204	$5,359,947	$5,359,947	$82,602
Other Revenues	$1,238,174	$1,370,543	$1,370,174	$1,370,174	$132,000
Interfund	$497,408	$509,578	$459,937	$459,937	$(37,471)
Total Revenue	**$26,279,601**	**$29,331,145**	**$27,293,831**	**$27,861,108**	**$1,581,507**
Salary and Benefits	$36,222,948	$34,052,467	$36,786,274	$36,452,586	$229,638
Services and Supplies	$10[illegible]96,758	$14,748[illegible]55	$11,415,022	$11,288,465	$791,707
Other Charges	$[illegible]75,200	$6,515,52[illegible]	$811,700	$811,700	$(63,500)
Capital Assets	$0	$38,132	$0	$0	$0
Gross Expenditures	**$47,[illegible]94,906**	**$55,354,677**	**$49,012,996**	**$48,552,751**	**$957,845**
Less Intrafund Transfers	$(5,[illegible]32,301)	$(5,405,543)	$(6,[illegible]079,202)	$(6,079,202)	$(746,901)
Net Expenditures	**$42,[illegible]62,605**	**$49,949,134**	**$42,933,[illegible]94**	**$42,473,549**	**$210,944**
General Fund Support	**$15,[illegible]83,004**	**$20,617,989**	**$15,639,963**	**$14,612,441**	**$(1,370,563)**

Source of Funds

Use of Funds

The adopted salary Budget was $36.2 million. But they are going to expend only $34.0 million in the current year ($2.2 million less). Then staff recommends $36.4 million in the New Year, FY 2024-25. The write-up states in part:

Expenditures are recommended to increase by $210,944 or less than 1%. Salaries and benefits are recommended to increase by $229,638 or less than 1% due to increases in salary and benefit costs.

The Board should reduce the Budget by $2 million. The stated comparison is from the 2023-24 adopted Budget. It should be from the FY 2023-24 estimated. They are simply just padding here.

Page 311 - Social Services Administration:

FINANCIAL SUMMARY

	FY 2023-24 Adopted	FY 2023-24 Estimated	FY 2024-25 Requested	FY 2024-25 Recommended	Change from FY 2023-24
Intergovernmental Revenue	$89,083,400	$92,334,514	$93,299,009	$95,169,827	$6,086,427
Charges for Current Services	$14,000	$14,400	$14,000	$14,000	$0
Other Revenues	$265,000	$264,891	$265,000	$265,000	$0
Interfund	$51,587	$51,587	$0	$0	$(51,587)
Total Revenue	**$89,413,987**	**$92,665,392**	**$93,578,009**	**$95,448,827**	**$6,034,840**
Salary and Benefits	$67,414,120	$67,349,440	$70,607,334	$70,882,246	$3,468,126
Services and Supplies	$22,876,221	$24,272,[illegible]	$25,047,015	$24,615,758	$1,739,537
Other Charges	$12,097,717	$13,712,037	$12,976,072	$13,050,551	$952,834
Capital Assets	$25,000	$247,32[illegible]	$68,124	$68,124	$43,124
Gross Expenditures	**$102,413,058**	**$105,581,122**	**$108,698,545**	**$108,616,679**	**$6,203,621**
Less Intrafund Transfers	$(84,690)	$(84,690)	$(276,396)	$(514,693)	$(430,003)
Net Expenditures	**$102,328,368**	**$105,496,432**	**$108,422,149**	**$108,101,986**	**$5,773,618**
General Fund Support	**$12,914,381**	**$12,831,040**	**$14,844,140**	**$12,653,159**	**$(261,222)**

Source of Funds

Use of Funds

The employees in this unit received a 3% salary increase (COLA) in the current FY 2023-24 fiscal year. This resulted in a FY 2023-24 salary and benefits budget of $67.3 million.

The contract for the large SLO County Employees Association (SLOCEA) states in part:

8.2 Fiscal Year 2023-24 Salary Adjustment Effective the start of the pay period that includes July 1, 2023, wages shall be increased by 3.0% for all classifications in this unit, shown in Appendix A.

8.3 Fiscal Year 2024-25 Salary Adjustment
Effective the start of the pay period that includes July 1, 2024, wages shall be increased by 2.5% for all classifications in this unit, shown in Appendix A.

The labor contracts for these employees indicate that they received a 3% increase on July 1, 2023, and are to receive a 2.5% increase on July 1, 2024. The Budget write-up grosses it up to 5% overall for 2024-25. But if the 3% was included in the FY 2023-24 $67.4 million, why does 2024-2025 go up by $3.5 million? The 2.5% scheduled for 2024-25 should at the most be $1.65 million, not $3.5 million.

Page 331 - Social Services Homeless Services:

The unit is slated to spend $10.6 million in FY 2024-25. The General Fund contribution is almost $5 million.

FINANCIAL SUMMARY

	FY 2023-24 Adopted	FY 2023-24 Estimated	FY 2024-25 Requested	FY 2024-25 Recommended	Change from FY 2023-24
Intergovernmental Revenue	$7,091,386	$20,052,137	$5,046,987	$5,697,543	$(1,393,843)
Other Revenues	$723,273	$1,283,138	$50,204	$50,204	$(673,069)
Other Financing Sources	$6,642,193	$7,522,105	$5,291,814	$4,909,148	$(1,733,045)
Total Revenue	**$14,456,852**	**$28,857,380**	**$10,389,005**	**$10,656,895**	**$(3,799,957)**
Fund Balance Available	$(522,600)	$0	$0	$0	$522,600
Total Financing Sources	**$13,934,252**	**$28,857,380**	**$10,389,005**	**$10,656,895**	**$(3,277,357)**
Salary and Benefits	$3,162,109	$3,464,269	$3,050,650	$3,461,113	$299,004
Services and Supplies	$2,735,228	$739,846	$750,523	$987,214	$(1,748,014)
Other Charges	$8,306,863	$24,944,571	$6,884,716	$6,505,451	$(1,801,412)
Gross Expenditures	**$14,204,200**	**$29,148,686**	**$10,685,888**	**$10,953,778**	**$(3,250,422)**
Less Intrafund Transfers	$(269,948)	$(269,948)	$(296,883)	$(296,883)	$(26,935)
Net Expenditures	**$13,934,252**	**$28,878,738**	**$10,389,005**	**$10,656,895**	**$(3,277,357)**
Total Financing Requirements	**$13,934,252**	**$28,878,738**	**$10,389,005**	**$10,656,895**	**$(3,277,357)**

The performance measures seem weak in terms of what was scheduled in the 5-Year Plan to reduce Homelessness. One note in the write-up states:

The specific goal is to add a total of 1667 low- and very low-income housing units, including 500 Permanent Supportive Housing beds and 300 interim housing units over the course of the County's Five-Year Plan

The performance measures suggest that at the rate they are producing units and supportive housing beds, they would come nowhere near the overall goal of 1667 in the remaining 4 years of the 5-Year Plan. Given that this is the County's highest stated new service priority, the Board should explore this item in detail and determine if the Plan is working as designed.

2. Performance Measure: Number of Permanent Supportive Housing beds, interim housing units, and low- and very low-income housing units added in the County.

In accordance with the County's Five-Year Plan to Address Homelessness, the Division will work to increase the number of permanent supportive housing beds available to people who are experiencing chronic homelessness and will also work to increase the overall supply of interim housing and low- and very low-income housing units in the County. The specific goal is to add a total of 1667 low- and very low-income housing units, including 500 Permanent Supportive Housing beds and 300 interim housing units over the course of the County's Five-Year Plan to Address Homelessness.

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Target	0.00	0.00	0.00	200.00	0.00
Actual	0.00	0.00	113.00	49.00	

Notes: This measure is being deleted for FY 2024-25. This measure is being deleted to split the measure into two new measures for clarity on data reporting. One measure will report on permanent supportive housing beds and the other measure will report on interim housing units.

3. Performance Measure: Add 500 Permanent Supportive Housing beds over the course of the County's Five-Year Plan to Address Homelessness

In accordance with the County's Five-Year Plan to Address Homelessness, the Division will work to increase the number of permanent supportive housing beds available to people who are experiencing chronic homelessness.

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Target	0.00	0.00	0.00	0.00	100.00
Actual	0.00	0.00	0.00	0.00	

Notes: New Measure for FY 2024-25.

4. Performance Measure: Add a total of 300 interim housing units over the course of the County's Five-Year Plan to Address Homelessness.

In accordance with the County's Five-Year Plan to Address Homelessness, the Division will work to increase the number of interim housing beds available to people who are experiencing unsheltered homelessness.

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Target	0.00	0.00	0.00	0.00	90.00
Actual	0.00	0.00	0.00	0.00	

Notes: New Measure for FY 2024-25.

If they ultimately house the current group of 1667, how do they know that more homeless people will not develop within the County and or/immigrate into the County naturally? What is the elasticity of their projections? What if the supply of homeless people is unlimited over time?

It should be noted that the Veterans Services Unit has a great performance measure that tracks the value of the Federal benefits that its clients receive.

See Below:

Department Goal: To ensure all veterans, eligible dependents, and survivors receive the highest possible benefit rating of filed and consequently awarded claims.

2. Performance Measure: Dollar amount of compensation and pension benefits secured for new monetary claims directly attributable to work done by the County of San Luis Obispo Veterans Services Office (cumulative).

The cumulative dollar amount awarded to veterans by the United States Department of Veterans Affairs for new compensation and pension claims filed for clients of the County of San Luis Obispo Veterans Services Office.

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Target	78,053,376.00	78,981,408.00	97,277,792.00	107,649,888.00	110,729,768.00
Actual	79,900,544.00	89,696,288.00	97,260,816.00	106,722,704.00	

Notes: Anticipating 3.125 % of current Veteran population continue to pass or move away at the current rate.

The Homeless Division should report on how well it does in moving clients onto Social Security programs, State aid programs, and even jobs.

Page 354 - Libraries:

FINANCIAL SUMMARY

	FY 2023-24 Adopted	FY 2023-24 Estimated	FY 2024-25 Requested	FY 2024-25 Recommended	Change from FY 2023-24
Taxes	$11,735,589	$11,954,974	$12,439,022	$12,439,022	$703,433
Revenue from Use of Money & Property	$44,876	$44,876	$47,576	$47,576	$2,700
Intergovernmental Revenue	$278,264	$256,085	$155,478	$307,478	$29,214
Charges for Current Services	$85,300	$84,165	$90,100	$90,100	$4,800
Other Revenues	$360,930	$435,134	$15,000	$15,000	$(345,930)
Other Financing Sources	$1,402,258	$625,525	$596,050	$538,343	$(863,915)
Total Revenue	**$13,907,217**	**$13,400,759**	**$13,343,226**	**$13,437,519**	**$(469,698)**
Fund Balance Available	$958,978	$0	$609,325	$609,325	$(349,653)
Total Financing Sources	**$14,866,195**	**$13,400,759**	**$13,952,551**	**$14,046,844**	**$(819,351)**
Salary and Benefits	$8,206,373	$7,811,697	$8,789,243	$8,797,961	$591,588
Services and Supplies	$4,724,007	$4,021,972	$4,554,195	$4,514,433	$(209,574)
Other Charges	$808,170	$9,607	$10,000	$162,000	$(646,170)
Gross Expenditures	**$13,738,550**	**$11,843,276**	**$13,353,438**	**$13,474,394**	**$(264,156)**
Contingencies	$572,450	$0	$572,450	$572,450	$0
New Reserves	$555,195	$0	$0	$0	$(555,195)
Total Financing Requirements	**$14,866,195**	**$11,843,276**	**$13,925,888**	**$14,046,844**	**$(819,351)**

The adopted salary Budget was $8.2 million. But they are going to expend only $7.8 million in the current year; ($394,000 less).Then staff recommends $8.8 million in the new year, FY 2024-25.

1. Performance Measure: Percentage of current cardholders per capita in the County.					
This measure showcases market penetration of library services within the County based upon the number of library cardholders per capita. Current cardholders are customers who have used their library card within the last two years.					
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Target	22.00%	22.00%	21.00%	27.00%	26.50%
Actual	18.00%	27.00%	27.00%	26.00%	
Notes: No additional notes.					

What are the age demographics of this data? How many are children in school, adults 18-65, and adults over 65?

Page 455 - Liability Self Insurance

FINANCIAL SUMMARY

	FY 2023-24 Adopted	FY 2023-24 Estimated	FY 2024-25 Requested	FY 2024-25 Recommended	Change from FY 2023-24
Revenue from Use of Money & Property	$15,000	$30,000	$15,000	$15,000	$0
Interfund	$4,700,000	$4,700,000	$5,890,000	$5,890,000	$1,190,000
Total Revenue	**$4,715,000**	**$4,730,000**	**$5,905,000**	**$5,905,000**	**$1,190,000**
Total Financing Sources	**$4,715,000**	**$4,730,000**	**$5,905,000**	**$5,905,000**	**$1,190,000**
Services and Supplies	$5,757,719	$6,289,905	$8,292,921	$8,292,921	$2,535,202
Other Charges	$1,000,000	$835,793	$1,000,000	$1,000,000	$0
Gross Expenditures	**$6,757,719**	**$7,125,698**	**$9,292,921**	**$9,292,921**	**$2,535,202**
Total Financing Requirements	**$6,757,719**	**$7,125,698**	**$9,292,921**	**$9,292,921**	**$2,535,202**

Source of Funds Use of Funds

This Fund Center cost is increasing significantly. The write-up states in part:

Expenditures are recommended to be $9.3 million, an increase of $2.5 million or 38% compared to the FY 2023-24 adopted budget due to increases in insurance premiums for the underlying $25 million liability insurance program, additional premiums from the County electing to begin membership in the PRISM Optional Excess Liability program and increases in outside legal counsel.

Is the County experiencing increasing losses as a result of law suits and settlements? What is the year over year data in this regard for the past 5 years?

Page 464 - Workers Compensation Costs

FINANCIAL SUMMARY

	FY 2023-24 Adopted	FY 2023-24 Estimated	FY 2024-25 Requested	FY 2024-25 Recommended	Change from FY 2023-24
Revenue from Use of Money & Property	$85,000	$170,000	$163,889	$163,889	$78,889
Charges for Current Services	$7,450,000	$8,000,000	$10,037,333	$10,037,333	$2,587,333
Other Revenues	$500,000	$1,000,000	$500,000	$500,000	$0
Total Revenue	**$8,035,000**	**$9,170,000**	**$10,701,222**	**$10,701,222**	**$2,666,222**
Total Financing Sources	**$8,035,000**	**$9,170,000**	**$10,701,222**	**$10,701,222**	**$2,666,222**
Salary and Benefits	$600,000	$600,000	$600,000	$600,000	$0
Services and Supplies	$5,154,458	$5,208,174	$5,665,996	$5,665,996	$511,538
Other Charges	$3,000,000	$3,362,588	$3,000,000	$3,000,000	$0
Gross Expenditures	**$8,754,458**	**$9,170,762**	**$9,265,996**	**$9,265,996**	**$511,538**
Total Financing Requirements	**$8,754,458**	**$9,170,762**	**$9,265,996**	**$9,265,996**	**$511,538**

Source of Funds Use of Funds

Total revenues are recommended to increase by $2.7 million or 33% compared to FY 2023-24 adopted levels due primarily to an increase in charges to County departments to avoid underfunding of this self-insurance fund. Rates charged to departments are set to generate $10 million in FY 2024-25. Expenditures are recommended to increase by $511,538 or 6% primarily due to increases in insurance premiums, an increase in Total Temporary Disability (TTD) payments for long-term orthopedic claims requiring surgery and extended time off from work, and outside legal counsel

Actually, it's the costs that are increasing. The "revenues" are simply charges to the Departments, which reduce the amount available for actual program expenditures. The write-up also states that no general fund is appropriated for this cost. Don't they charge the general fund departments for their proportionate share?

What is the County's workers comp experience year over year for the past 5 years?

LAST WEEK'S HIGHLIGHTS

No Board of Supervisors Meeting on Tuesday, May 28, 2024 (Not Scheduled)

SLO County Council of Governments (SLOCOG) Meeting of Wednesday, May 29, 2024 (Completed) 9:00 AM

C-1: Zero Emission Vehicle Activity. The report did not seem to have a table indicating how many EV charging stations have been or are being installed as a result of SLOCOG or other governmental action. It is actually a discussion of some of the governmental grant programs that are available. The real metrics would include how many are needed by year, how many are funded by government, and how many are privately provided.

A real analysis would also forecast how many megawatts are required over the years as the all-electric vehicle mandate is phased in.

This could have been an interesting item, but is essentially useless.

The SLOCOG and its member agencies refuse to expose the myths of the so-called electric vehicle revolution in discussing and formulating policy. Check out the article below from the May 25, 2024 *Money and Investing Magazine.*

Ban EVs? 15 Reasons Electric Cars Should Be Off Our Roads Forever

Story by Money + Investing

With the increasing discussion surrounding electric vehicles (EVs), it is important to look beyond their environmentally friendly reputation. As the world focuses on sustainability, there are doubts about the actual expenses involved in shifting to electric transportation. This investigation reveals the various issues linked to electric cars, including environmental consequences, technological difficulties, and economic and infrastructure obstacles, providing a thorough insight into the intricate issues involved.

1. The Cost of Replacing Electric Vehicle Batteries

Although electric vehicles typically have fewer moving components compared to traditional internal combustion engine vehicles, their batteries can be quite costly to replace. This expense can significantly impact the total cost of owning an electric vehicle, potentially outweighing any savings that come from lower fuel and maintenance expenses throughout the vehicle's lifespan.

2. Socio-Economic Inequality

The transition to electric vehicles has the potential to widen socio-economic disparities. The increased price of EVs, along with the requirement for charging infrastructure, may hinder accessibility for individuals with lower incomes, leading to a possible rift in transportation accessibility. Furthermore, the shift to EVs could impact employment opportunities in sectors associated with traditional internal combustion engine vehicles, such as manufacturing, maintenance, and fuel distribution.

3. Environmental Cost of Battery Production

The manufacturing of electric vehicle (EV) batteries is a highly energy-intensive process that requires the extraction of rare earth metals. This extraction process has substantial environmental and ethical consequences. It results in the release of CO2 emissions and can cause destruction to habitats and pollution of water sources. It is crucial to take into account these environmental costs when assessing the overall sustainability of electric vehicles.

4. Limited Range

Electric vehicles often have a shorter driving range on a single charge compared to gasoline vehicles with a full tank. This can be problematic for long-distance trips as drivers need to carefully plan their routes around charging station locations and factor in extra time for charging stops. The limited range and the need for additional planning may deter consumers who regularly drive long distances.

5. Limited Resale Value

Electric vehicles are often thought to have lower resale values compared to traditional cars, mainly because of worries about battery deterioration. Even though EV batteries are built to be long-lasting, there is still doubt surrounding their durability and expenses for potential replacements. This doubt can result in accelerated depreciation rates for EVs, causing them to be less appealing for customers who prioritize the vehicle's future worth.

6. Increased Electricity Taxation

The rise in popularity of electric vehicles (EVs) presents a financial dilemma for governments, as they currently rely on fuel taxes to finance infrastructure projects. With the growing number of EVs on the road, there is a possibility of a significant decline in fuel tax revenues, prompting the government to consider implementing higher taxes on electricity. This potential change could impact not only EV owners but also the overall cost of electricity for households, as the tax system may struggle to differentiate between electricity consumption for vehicles and for residential use.

7. Dependency on Power Source Greenness

The impact on the environment from electric vehicles is largely determined by the type of electricity used to power them. When electricity is generated from fossil fuels like coal, the carbon dioxide emissions from EVs can be just as high as, or even exceed, those of traditional gasoline cars. This reliance underscores the importance of having a sustainable energy grid in place to fully realize the environmental advantages of electric vehicles.

8. Increased Electricity Demand

The rise in popularity of electric vehicles (EVs) is expected to cause a notable rise in electricity demand. This could potentially overwhelm current power grids, especially during peak charging periods like evenings when drivers recharge their vehicles after work. To handle this escalating

demand, substantial upgrades in grid infrastructure and capacity will be necessary, along with advancements in smart charging technologies to spread out the load more evenly.

9. High Purchase Price

Electric vehicles often come with a higher initial price tag compared to traditional gasoline vehicles, mainly because of the costly batteries they require. While some incentives and tax credits can help offset these expenses, they are not universally offered and may not completely close the gap in cost. This disparity in price could limit the accessibility of electric vehicles to a wider audience, potentially hindering their widespread adoption. Additionally, the higher upfront cost may not necessarily result in equivalent savings in fuel and maintenance expenses, which could discourage potential buyers.

10. Insufficient Charging Points

The lack of charging stations has not kept up with the increasing number of electric vehicles on the road, causing difficulties in accessibility and convenience. This problem is especially problematic for people who are unable to install a home charger because of their living arrangements, such as those living in apartments or with street parking. The shortage of charging options can hinder the feasibility of owning an electric vehicle for many people.

10. Technology Obsolescence

The fast development of electric vehicle technology may render current EVs obsolete in a short period of time as newer models with enhanced range, quicker charging, and improved performance are introduced into the market. This rapid obsolescence can result in a rise in electronic waste and could potentially discourage consumers from purchasing current EV models, as they are aware that superior alternatives may soon be available.

11. Disposal and Recycling of EV Batteries

The disposal and recycling of electric vehicle (EV) batteries is a pressing environmental issue. These batteries contain hazardous materials that can pose serious risks to the environment and human health if not handled properly. Currently, the infrastructure for recycling EV batteries is inadequate, and there are technical challenges in effectively recycling the diverse materials found in these batteries. To address this issue, it is crucial to improve battery design to facilitate recycling, invest in recycling facilities, and develop more advanced recycling technologies.

12. Resource Intensive Manufacturing

The production of electric vehicles, especially their batteries, involves a large amount of resources such as rare earth elements and other materials that are often obtained from environmentally fragile areas or under questionable circumstances. The extraction and treatment of these materials can lead to considerable environmental harm, including deforestation, water contamination, and the release of greenhouse gases. Moreover, the energy

consumed during these procedures is frequently derived from non-renewable sources, adding to the carbon footprint of electric vehicle manufacturing.

13. Infrastructure Challenges

In urban and high-density areas, the current EV charging infrastructure is frequently inadequate to handle the demand, resulting in lengthy wait times at charging stations. This issue is exacerbated by the fact that charging an electric vehicle takes much longer than filling up a gasoline car. These bottlenecks can occur, particularly during peak travel hours, and might discourage potential EV purchasers who are worried about the ease of charging.

14. Impact on Power Grid Stability

The growing popularity of electric vehicles (EVs) is expected to have a significant impact on the stability of the power grid. The current infrastructure is not equipped to handle the surge in electricity demand that would accompany widespread EV adoption, particularly during peak hours. This could result in more frequent power outages and necessitate substantial investments in upgrading and expanding the grid. To effectively manage this transition and maintain a reliable electricity supply, it will be crucial to develop and implement smart grid technologies and demand response systems.

15. Conclusion

When thinking about the future of transportation, it is clear that electric vehicles will play a crucial role in helping us move towards a more sustainable world. However, the shift to EVs comes with challenges in environmental, economic, and infrastructural areas. Addressing these issues requires a comprehensive approach that balances innovation and sustainability, ensuring that the advancement of electric transportation contributes positively to our global environmental objectives and societal needs.

D-1: RHNA Progress - 2023 Annual Progress Report. The County and 7 cities are slowly grinding away at meeting their Regional Housing Needs (RHNA) requirements. The Commission letter stated in part:

This report gives an update on jurisdictions' progress towards completing their Regional Housing Needs Allocation (RHNA) in the San Luis Obispo Region. The 6thCycle RHNA is 2019-2028. Data for permitted units by jurisdiction is available up to December 2023, marking halfway through Cycle 6th. Assuming progress at a steady rate, jurisdictions should have around

50% of their allocation permitted. Region wide, 5,419 housing units have been permitted out of 10,810 allocated units (52%)

Figure 1: 6th Cycle RHNA Allocations by Jurisdiction and Income Level

Jurisdiction	Total Allocation	Very Low	Low	Moderate	Above Moderate
Arroyo Grande	692	170	107	124	291
Atascadero	843	207	131	151	354
Grover Beach	369	91	57	66	155
Morro Bay	391	97	60	70	164
Paso Robles	1,446	356	224	259	607
Pismo Beach	459	113	71	82	193
San Luis Obispo	3354	825	520	603	1406
County of SLO	3,256	801	505	585	1365
Regional Total	**10,810**	**2,660**	**1,675**	**1,940**	**4,535**

Figure 1 shows the number of housing units allocated to each jurisdiction by income level. Allocations are spread by income levels of "Very Low" (24.6%), "Low" (15.5%), "Moderate" (18%), and "Above Moderate" (41.9%). The 2019 RHNA Plan provides more detail on the 6th Cycle RHNA and SLOCOG's role in the process.

G-1: Legislative Update. The item prepared by SLOCOG's Legislative Lobbyist contains a good summary of the State Budget process so far. It also lists some of the likely impacts on transportation and housing. It additionally provides a good summary of how the large State budget deficit developed.

Please see the report on the next page below:

May ~~10~~ 24, 2024

TO: Board Members, San Luis Obispo Council of Governments
FROM: Gus Khouri, President
Khouri Consulting LLC

RE: STATE LEGISLATIVE UPDATE – GOVERNOR'S FY 2024-25 STATE BUDGET-MAY REVISE

On May 10, Governor Newsom released his May Revision to the proposed FY 2024-25 State Budget, citing a $27.6 billion General Fund deficit. Governor Newsom identified a $37.9 billion deficit in January. The legislature took corrective action by passing AB 106 and SB 106 to find $17.3 billion in solutions (borrowing, delays, reductions, and shifts), but lackluster receipts increased the deficit by $7 billion. A $28.4 billion structural deficit is also identified for FY 2025-26. Governor Newsom proposes a total of $44.7 billion in solutions for FY 2024-25 ($4.2 billion in reserves, $3 billion in efficiencies, $15.2 billion in reductions, $14.8 billion in expansion pauses and shifts, and an additional $7.5 billion in borrowing) to close the gap. For FY 2025-26, $8.4 billion in Rainy Funds are used to balance the budget, leaving $22.8 billion in reserves.

How Did We Get Here?

The May Revise cites $201 billion in General fund spending, down from $208.7 billion in January and $288.1 billion overall when factoring in special funds ($291.5 billion in January). This is a sharp turn from the past few years, following surpluses in the FY 22-23 State Budget ($101.4 billion) and the FY 21-22 State Budget ($74.3 billion) surplus, predominantly used for one-time expenditures rather than long-term obligations. This was attributable to a 55% increase in revenue from personal income tax, corporate tax, and capital gains revenue during the pandemic.

A portion of the deficit is attributable to the 33% reduction in capital gains, which contributed to the collection of only $18 billion of the $42.9 billion expected in tax receipts. Due to severe storms in 2022, the Internal Revenue Service delayed tax collection to November 16 in 55 of 58 counties, impacting 99% of all state taxpayers and the late estimates. Had the tax collection delay not been in place, most of the $31.7 billion deficit for FY 23-24 would have been more significant due to lower tax receipts reflected in the May Revision and a smaller shortfall for FY 24-25. While the stock market rebounded and received nearly all its losses by the end of 2023, cash receipts for the year remained weak due partly to increased capital loss carryovers from 2022. New data for 2022 shows those losses grew by 62 percent, exceeding the 58 percent realized during the Great Recession in 2008.

Poor Forecasting
There is a disparity between forecasted and realized revenues. The "Big Three" revenues—personal income tax, corporate tax, and capital gains—were projected at $210 billion in FY 2022-23 and $220.9 billion in FY 2023- 24 but are not estimated at $170.1 billion and $177.7 billion, respectively. This represents a whopping $83.1 billion difference ($39.9B + $43.2B) in revenue projection over actual.

Impact on Transportation
The 2022-23 Budget Act included $13.8 billion for transportation programs and projects aligned with the state's climate goals. The Budget maintains $13.6 billion of these investments but includes $200 million in reductions, $791 million in fund shifts, and $3.1 billion in delays across various programs.

Significant Budget Adjustments

- **Transit Intercity Rail Capital Formulaic Program** – A delay, from FY 24-25 to 25-26, of $1.3 billion of formulaic Transit and Intercity Rail Capital Program funds provided in SB 125, leaving $1 billion for this program in FY 24-25. Additionally, the Budget proposes to shift $261.4 million of the remaining $1 billion in FY 24-25 from the General Fund to the GGRF. This fund shift will have no programmatic impact.

- **Transit Capital and Intercity Rail Capital Program** – A reduction of $148 million in unused funds from Cycle 6, which is from the $1.8315 billion balance dedicated to projects in Southern California, including the counties of Orange, Imperial, Los Angeles, Riverside, San Bernardino, San Diego, and Ventura.

- **Active Transportation Program** – A reduction of $399 million ($300 million scored in FY 24-25 and $99 million scored in FY 26-27), in addition to the $200 million proposed in January, leaves $451 million of General Fund, which is a 57 percent cut of the original contribution ($1.05B). This likely impacts the California Transportation Commission's ability to fund all projects awarded in Cycle 6, which covers FY 23-24 to FY 26-27. There are two projects that could be impacted: Niblick Road in Paso Robles ($13.8M) and South Higuera Street in San Luis Obispo ($6.9M). Applications for Cycle 7, which are due on June 17 and cover programming capacity between FY 2025-26 and FY 2028-29, could be delayed ~~impacted~~. The ATP program annually generates $275 million annually in funding, with Cycle 6 and 7 being exceptions. CalSTA Secretary Toks Omishakin noted that 980 million dollars over the next four years is programmed for biking and walking infrastructure improvements using SHOPP despite the cuts.

- **Grade Separation Funding** – $350 million in one-time General Fund revenues will be eliminated to fund seven projects statewide ($251 million) and six port infrastructure projects ($98.5 million). Secretary Omishakin stated that these high-priority investments would be a priority to backfill with federal funds from the Federal Rail Administration or the Federal Transit Administration, if possible.

Poor Forecasting
There is a disparity between forecasted and realized revenues. The "Big Three" revenues—personal income tax, corporate tax, and capital gains—were projected at $210 billion in FY 2022-23 and $220.9 billion in FY 2023- 24 but are not estimated at $170.1 billion and $177.7 billion, respectively. This represents a whopping $83.1 billion difference ($39.9B + $43.2B) in revenue projection over actual.

Impact on Transportation
The 2022-23 Budget Act included $13.8 billion for transportation programs and projects aligned with the state's climate goals. The Budget maintains $13.6 billion of these investments but includes $200 million in reductions, $791 million in fund shifts, and $3.1 billion in delays across various programs.

Significant Budget Adjustments

- **Transit Intercity Rail Capital Formulaic Program** – A delay, from FY 24-25 to 25-26, of $1.3 billion of formulaic Transit and Intercity Rail Capital Program funds provided in SB 125, leaving $1 billion for this program in FY 24-25. Additionally, the Budget proposes to shift $261.4 million of the remaining $1 billion in FY 24-25 from the General Fund to the GGRF. This fund shift will have no programmatic impact.

- **Transit Capital and Intercity Rail Capital Program** – A reduction of $148 million in unused funds from Cycle 6, which is from the $1.8315 billion balance dedicated to projects in Southern California, including the counties of Orange, Imperial, Los Angeles, Riverside, San Bernardino, San Diego, and Ventura.

- **Active Transportation Program** – A reduction of $399 million ($300 million scored in FY 24-25 and $99 million scored in FY 26-27), in addition to the $200 million proposed in January, leaves $451 million of General Fund, which is a 57 percent cut of the original contribution ($1.05B). This likely impacts the California Transportation Commission's ability to fund all projects awarded in Cycle 6, which covers FY 23-24 to FY 26-27. There are two projects that could be impacted: Niblick Road in Paso Robles ($13.8M) and South Higuera Street in San Luis Obispo ($6.9M). Applications for Cycle 7, which are due on June 17 and cover programming capacity between FY 2025-26 and FY 2028-29, could be delayed ~~impacted~~. The ATP program annually generates $275 million annually in funding, with Cycle 6 and 7 being exceptions. CalSTA Secretary Toks Omishakin noted that 980 million dollars over the next four years is programmed for biking and walking infrastructure improvements using SHOPP despite the cuts.

- **Grade Separation Funding** – $350 million in one-time General Fund revenues will be eliminated to fund seven projects statewide ($251 million) and six port infrastructure projects ($98.5 million). Secretary Omishakin stated that these high-priority investments would be a priority to backfill with federal funds from the Federal Rail Administration or the Federal Transit Administration, if possible.

- **Highways To Boulevards** – The program will receive a $75 million reduction (a 50 percent cut). Secretary Omishakin stated that federal funds could be used to backfill the program.

Impact on Housing
Since 2019, the state has invested approximately $5.2 billion in General Fund revenue into affordable housing and homeownership programs. To address the projected budget shortfall, the Budget proposes General Fund solutions to achieve a balanced budget. Adjustments include:

- **Multifamily Housing Program** – A reversion of $75 million on top of the $250 million General Fund cut proposed in January, which zeroes out the program.
- **Foreclosure Intervention Housing Preservation Program** – Eliminates the remaining $236.5 million for the program, on top of January's proposed reduction of $247.5 million, for a total of $484 million in cuts.
- **Homeless Housing, Assistance and Prevention (HHAP) Round 5 Grant Program** – A reduction of $260 million.
- **Regional Early Action Plan (REAP)** – The $300 million proposed cut (50 percent) to the Regional Early Action Plan (REAP) grants carries over as part of the Governor's FY 24-25 January proposed budget.

EMERGENT ISSUES

Item 1 - Reforming US Commercial Land Use Regulations Could Increase GDP By $1 Trillion Per Year - *Many of the most important venture capital firms in the United States are located on Sand Hill Road in Menlo Park, California.* May 20, 2024 By: **Lee Ohanian**
Research Team: **Foundations of Long-Run Prosperity Working Group**

Reforming US Commercial Land Use Regulations Could Increase GDP By $1 Trillion Per Year

By: **Lee Ohanian**

This essay is based on the working paper "The Impact of Commercial Real Estate Regulations on U.S. Output" by Fil Babalievsky, Kyle F. Herkenhoff, Lee E. Ohanian, and Edward C. Prescott.

Many of the most important venture capital firms in the United States are located on Sand Hill Road in Menlo Park, California. These firms have helped grow many new and emerging technology companies that would go on to contribute to the transformation of the global economy, including Microsoft, Apple, Google, Amazon, and Spotify. However, at the end of Sand Hill Road, just a stone's throw from these remarkably important venture capital firms is farmland where cows graze. What are cows doing on perhaps the most valuable commercial land in the United States? The cows are there because of regulations that prevent that land from being used for other commercial purposes.

Sand Hill Road is perhaps the most striking example of how land-use regulations affect US economic activity. In the case of Sand Hill Road, zoning stipulates the type of economic activity that can take place on a parcel of land. Zoning also regulates the size of commercial buildings on that land. Most venture capital firms on Sand Hill Road cannot be taller than two stories.

Zoning is the most common land-use regulation in the United States, affecting the scale and scope of commercial economic activity. Other regulations include environmental restrictions, which can significantly affect commercial projects through costly environmental impact reviews and the threat (and use) of environmental lawsuits to limit (or deny) development. Further complications arise when community groups influence development by exerting political pressure on state and local politicians.

Economists and policymakers have been actively studying the outcomes of these regulations on economic activity and consumer welfare in recent years. Progress has been made in quantifying the impact of residential land-use regulations that limit the amount of housing that can be built on a parcel of land. However, the effect of land-use regulations on commercial buildings are virtually unstudied.

The major challenge in analyzing regulatory impact is that commercial activity in some cities is subject to dozens, even hundreds, of regulations. Moreover, it is virtually impossible to quantify these regulations because zoning codebooks are frequently out of date, some buildings are exempted from regulations, and unofficial "shadow regulations" also affect outcomes, such as the threat of a lawsuit by an environmental group that is withdrawn if a developer agrees to build on a smaller scale than planned. Finally, the arbitrary nature of some regulations' boundaries can cause further computational complications; regulations may differ between buildings that are across the street from each other or that even share a common wall.

In our paper "The Impact of Commercial Real Estate Regulations on U.S. Output," my coauthors, Fil Babalievsky and Kyle Herkenhoff, and I develop an economic modeling

framework that addresses these challenges. The key insight is that commercial buildings developed on the most valuable land—such as Sand Hill Road in Menlo Park, California, or parcels in midtown Manhattan—should be large. From society's perspective, valuable land signifies a highly productive location, which means that society benefits from having a large building to leverage the location's productivity. From the developer's perspective, valuable land means a large expense, but this expense can be spread over the square footage of a large building. In the case of highly valuable land, both society and developers benefit from creating a large commercial space.

The size of a building relative to the value of a parcel of land is influenced by the stringency of the land-use regulations governing the parcel. For example, the skyscrapers in midtown and downtown Manhattan that sit on extremely valuable land indicate that commercial land-use regulations are relatively small and thus allow for building larger structures. On the other hand, the very small buildings that are home to Silicon Valley venture capital firms on the extremely valuable land on Sand Hill Road indicate very stringent land-use regulations, which deny larger buildings.

My coauthors and I use this concept to quantify the stringency of these regulations by collecting tax assessment data from most commercial building parcels in the United States. Our approach requires only two numbers: the assessor's total valuation of a parcel and the amount of that valuation accounted for by just the structure that sits on the land. On Sand Hill Road, much less of the total value of a commercial parcel is accounted for by the structure, while in midtown Manhattan, much more of the total value is accounted for by the structure.

Given this simple but powerful economic logic, our analysis develops an economic model comprising the more than two hundred metropolitan statistical areas (MSAs) of the United States. The model calculates the regulation stringency at the individual parcel level, aggregates the individual parcels to the MSA level, and then aggregates each of the MSAs to the national level. The analysis finds that the least-regulated MSA is Midland, Texas, known as the "Tall City" for its towering buildings. Los Angeles and San Jose are among the most-regulated MSAs, having smaller commercial buildings that account for less of the total value of commercial parcels than the average of all MSAs. The model accounts for the positive role of land-use regulations that limit the congestion arising from completely unfettered land use in a city. Thus, the model recognizes the potential benefits of some regulations.

The analysis conducts several policy experiments that assess how real US GDP, as well as consumer welfare and developer profits, would be affected if land-use regulations were changed. One experiment analyzes what would happen if all MSAs adopted the relatively low level of land use regulation found in Midland, Texas. With this policy reform, we find that real US GDP would increase by about 3 percent in perpetuity, or about $1 trillion per year. The amount of commercial square footage would increase by around 15 percent under this scenario. Consumers would benefit from this change, as a better allocation of land use would increase their incomes,

boost their consumption, and allow them to work less. The results of this experiment indicate that our present land-use regulations are far too stringent.

Commercial business developers are the only ones who would not benefit from this reform, as their profits would decline modestly. In the current regulatory environment, policies that artificially constrain commercial space allow some commercial developers to earn premium rents. This reflects the fact that the amount of commercial office space increases with policy deregulation, thereby reducing the value of commercial space on a per-square-foot basis. This finding suggests that at least some aspects of commercial regulation reflect the self-interest of those who develop commercial space rather than advancing public-minded goals, such as limiting urban congestion.

The positive effect of reducing commercial land use regulation is conservatively reported here. Our estimate of the economic impact of deregulation considers only the average level of regulation within an MSA and does not account for the varied stringency of regulations within individual MSAs. Reducing the high stringency of regulations within select regions could easily double the economic benefits of deregulating commercial buildings, leading to even higher consumer welfare, income, and production.

In conclusion, our findings suggest that deregulating commercial buildings would help businesses operate in highly productive locations, enhance consumer welfare, and broadly benefit the US economy.

Read the full paper here.
Lee Ohanian is a professor of economics at the University of California–Los Angeles and a senior fellow at the Hoover Institution. Hoover Daily Update for May 28, 2024.

This essay is part of the Long-Run Prosperity Research Brief Series. Research briefs highlight research that enhances our understanding of the factors that drive long-run economic growth and examine its policy implications.

Item 2 - Time for Greens to Follow the Constitution – By Jennifer Hernandez

Recent court rulings on government takings could force climate advocates to seek voter approval for their costly energy policies.

May 28 2024

The U.S. Constitution prohibits national and state governments from taking private property for public use without just compensation. Last April, the Supreme Court unanimously overturned California's claim that these constitutional protections do not apply to takings permitted by

legislation. Though technical in nature, the decision increases the likelihood that state climate policies, authorized by a skeletal statutory patchwork and used by unelected state and local bureaucrats to curtail property rights on a massive scale, will soon face takings liability in the courts. At the very least, constitutional scrutiny may finally force climate advocates to obtain explicit voter approval for their programs, much as prohibitionists a century ago secured a constitutional amendment before enacting a national alcohol ban.

Takings law is "ad hoc" and "fact specific." If governments pay just compensation, they can confiscate and transfer housing to renters or seize property for private developers. Almost any physical property intrusion, even something as minuscule as a residential cable-box mandate, requires compensation. Permit applicants can be forced to provide land or cash reasonably to address project impacts without compensation, but regulators can't take their property for unreasonable or unrelated purposes.

California was among a handful of states that invented a legislative exception for takings liability. In rejecting this invention, the Supreme Court found that "nothing in constitutional text, history, or precedent supports exempting legislatures from ordinary takings rules." As a result, state climate programs are more clearly vulnerable to constitutional takings challenges. And California's war on climate change curtails property rights on an unprecedented scale.

In 2021, for example, Governor Gavin Newsom directed state agencies to include "phasing out oil extraction" as "a part of California's blueprint to achieve economy-wide carbon neutrality by 2045." Despite warnings from the state Legislative Analyst's Office that banning oil and gas extraction would reduce tax revenues by hundreds of millions of dollars and risk multibillion-dollar takings claims by mineral rights holders, the state's climate bureaucracy included a complete phase out in California's climate-planning models. Though regulators subsequently conceded that future in-state extraction might be unavoidable, up to 89 percent of extraction activity would still be eliminated.

In addition, climate plans require that the "majority" of in-state oil refineries—and all in-state manufacturing of cement, glass, clay, and stone—use carbon capture and sequestration (CCS) technology to trap, compress, transport, and isolate emissions from the atmosphere. As even the litigation-shy national association of electric utilities as well as other parties have reported in a new lawsuit, and numerous experts and other parties have observed during rulemaking proceedings, no proven, cost-effective CCS capacity at scale for capturing emissions from multiple sources at distant sequestration facilities exists in California or anywhere else, and noncompliance with state mandates would require that affected operations be shut down. The planned severe curtailment and potential elimination of California's oil, gas, cement, and materials industries alone, which generate more than $100 billion in business per year and employ hundreds of thousands of residents, exposes the state to an enormous takings liability.

California's climate policies also impose remarkably intrusive and expensive residential mandates. By 2045, more than 11 million gas water heaters, 90 percent of the state's existing residential stock, must be scrapped and replaced with heat-pump technology. Another 11 million existing gas and electric resistance systems, favored by the vast majority of California households, must be eliminated to install heat-pump space heaters. More than 7 million gas and

propane stoves, used in 70 percent of all residential kitchens, must be removed to make way for government-approved "green" cook stoves. In 20 years, battery- or hydrogen-powered cars must displace 21 million gas-powered personal vehicles, 94 percent of the state's existing residential vehicle stock.

These mandates will intrude into private homes to a far greater extent than the cable-connection installations for which the Supreme Court required just compensation. The median cost of installing a residential-space heat pump is more than $18,000 in California, and in some cases exceeds $50,000. Heat-pump water heaters cost much more than gas units and they won't work in colder temperature; their median installation cost is $6,300. Residential electric-vehicle charger installations cost an average of $1,000 to $2,500 but can be far more expensive if electric panel and wiring upgrades are also needed. Multiplied by millions of households, these costs amount to an astronomical potential takings liability.

These residential regulatory takings go further, though: under California law, existing homes for which homeowners and landlords can't afford to spend tens of thousands of dollars, and endure multi-month permitting and construction delays, to restore heating systems so that they are capable of maintaining room temperatures of 70 degrees three feet above the floor and hot water of at least 105 degrees will be considered illegal dwelling units. Instead of a quick trip to a local appliance store and two hours of labor to replace a broken hot-water heater, residents can wait in fear (without heat or hot showers) of receiving a "red tag" notice requiring that they move out until these costly systems are replaced, thus deepening California's notorious housing crisis and worst-in-the-nation poverty rate. Since California counts departing residents (and jobs), with their corresponding building vacancies and unsold electricity and fuel, as reductions in greenhouse gas emissions, regulatory bean-counters can hail evictions that prompt further population loss as a climate win—even as the exiles relocate to states with per-capita emissions double or even triple California's.

California may try to evade just-compensation risks by likening climate change to a world war, as some advocates have proposed. Courts have been loath to require government compensation for wartime property loss, but even fervent climate activists have recognized that climate change is nothing like a war. The "enemy" is the global emissions caused by the entire human population. Unlike the immediate danger created by an invading military, the magnitude and timing of potential climate challenges remain elusive. Alarmed by increasingly irrational climate panic, even alarmist scientists are cautioning against unfounded "doomism." Many experts believe that well-publicized "worst-case" climate futures are in fact highly unlikely. Despite decades of refinement, climate analysis models are still riddled with uncertainty. The "social cost of carbon" calculations used to support climate action are hard to substantiate, particularly after federal agencies recently inflated them using inherently unknowable climate-harm "projections" through 2300.

America's climate advocates would do well to review the nationwide enactment of Prohibition from 1920 to 1932. Like climate activism, prohibitionism was motivated in part by empirical trends, such as increased U.S. per capita drinking rates in 1900 to 1913, but it also reflected a panic stoked by "science" that proved baseless. Countless studies claimed that a single drink would cause lifelong addiction or risk sudden death. Medical professionals publicly advocated

for euthanizing, permanently incarcerating, or sterilizing habitual drinkers to mitigate the alcohol "crisis." Over time, temperance advocates convinced themselves that drinking "posed the greatest threat to American society" and that no "less coercive means" than total abstinence could save the nation.

Prohibition advocates also achieved widespread media and educational support. Popular entertainment and new communications outlets were overwhelmingly pro-temperance; most refused advertising from breweries. Schools adopted mandatory "Scientific Temperance Instruction" programs. Presaging today's oft-promised "green jobs," advocates insisted that national prohibition would be an economic bonanza, boosting demand for clothing, household goods, chewing gum, grape juice, soft drinks, theater entertainment, and restaurants, and dramatically boosting the nation's gross national product.

But unlike climate mandates, Prohibition was imposed nationally only after securing explicit political authorization, including congressional approval and state ratification of the Eighteenth Amendment and passage of the Volstead Act, over a presidential veto. In turn, national Prohibition could constrain property rights, including the near-complete destruction of what was then the nation's fifth-largest industry.

Climate policy enjoys no comparable constitutional deference because its advocates have deliberately sought to minimize democratic consideration and approval. Fueled by concerns that democratic politics poses too much danger for climate ambitions, activists instead pursue climate policy within a framework of extraordinarily broad greenhouse-gas reduction targets and virtually unbounded delegation to unelected bureaucracies, aligned with well-funded advocacy groups, who work out the details. The details, as California's nonpartisan Legislative Analyst's Office recently showed, have resulted in wealth transfers from low- and middle-income Californians to the wealthy.

Under traditional takings law, climate advocates risk potentially enormous just-compensation liability if they pursue energy transition by executive and bureaucratic fiat, which would kill millions of jobs, eliminate billions of dollars in public tax revenues, and damage America's geopolitical goals. Alternatively, climate advocates could borrow a page from the temperance movement and minimize takings liability by asking Americans explicitly to authorize the curtailment of the nation's oil, gas, and cement industries, as well as household mandates to eliminate gas-powered vehicles and appliances in favor of more costly replacements.

There is no constitutional exemption from takings law for climate policy. To require expansive and intrusive climate measures without voter approval would undermine representative democracy. Government agencies and climate advocates should not be allowed to treat the need to seek democratic approval as a distasteful burden to be avoided.

Jennifer Hernandez is a senior fellow at the Breakthrough Institute. City Journal, May 28, 2024.

Item 3 - California wants to be carbon-neutral by 2045. What does that mean for its big economic drivers?

BY DAN WALTERS

MAY 28, 2024

This story is part of California Voices, a commentary forum aiming to broaden our understanding of the state and spotlight Californians directly impacted by policy or its absence. Learn more here.

California's governor, Gavin Newsom, flew more 6,000 miles to Rome this month to deliver a brief speech on climate change at a Vatican-sponsored conference.

Media reports of Newsom's appearance centered on his verbal potshot at former President Donald Trump and his conversation with Pope Francis who, Newsom said, praised his unilateral suspension of executions in California.

However, the governor did devote a little time to climate change, mostly reiterating his villainization of the oil industry.

"It's because of the burning of gas, the burning of coal, the burning of oil," Newsom said. "We have the tools. We have the technology. We have the capacity to address the issue at a global scale and they've been fighting every single advancement and we have got to call that out."

At this point, we should remind ourselves that Newsom's constant gallivanting to polish his image as a political heavyweight depends on planes and automobiles that burn petroleum. Nevertheless, he has proclaimed that California will by 2045, just 21 years hence, become carbon emission-neutral.

In 2022, the state Air Resources Board issued a "scoping plan" with multiple precise steps to achieve the goal. Newsom hailed it as "a comprehensive roadmap to achieve a pollution-free future" and, with characteristic hyperbole, "the most ambitious set of climate goals of any jurisdiction in the world … (that could) spur an economic transformation akin to the industrial revolution."

That's a lot to be done in just a couple of decades, and there's not been a particularly noticeable amount of progress. In fact, there's been some regression.

It's questionable whether California will have enough power from solar panels and windmills not only to fill current demand but supply additional juice for the many millions of battery-powered cars and trucks that the plan envisions.

Fearing blackouts, Newsom pressed to keep some natural gas-fired power plants and the state's only nuclear-powered plant operating past their planned phaseout dates. Electric car sales have languished, even though automakers are supposed to quit selling gasoline- and diesel-powered

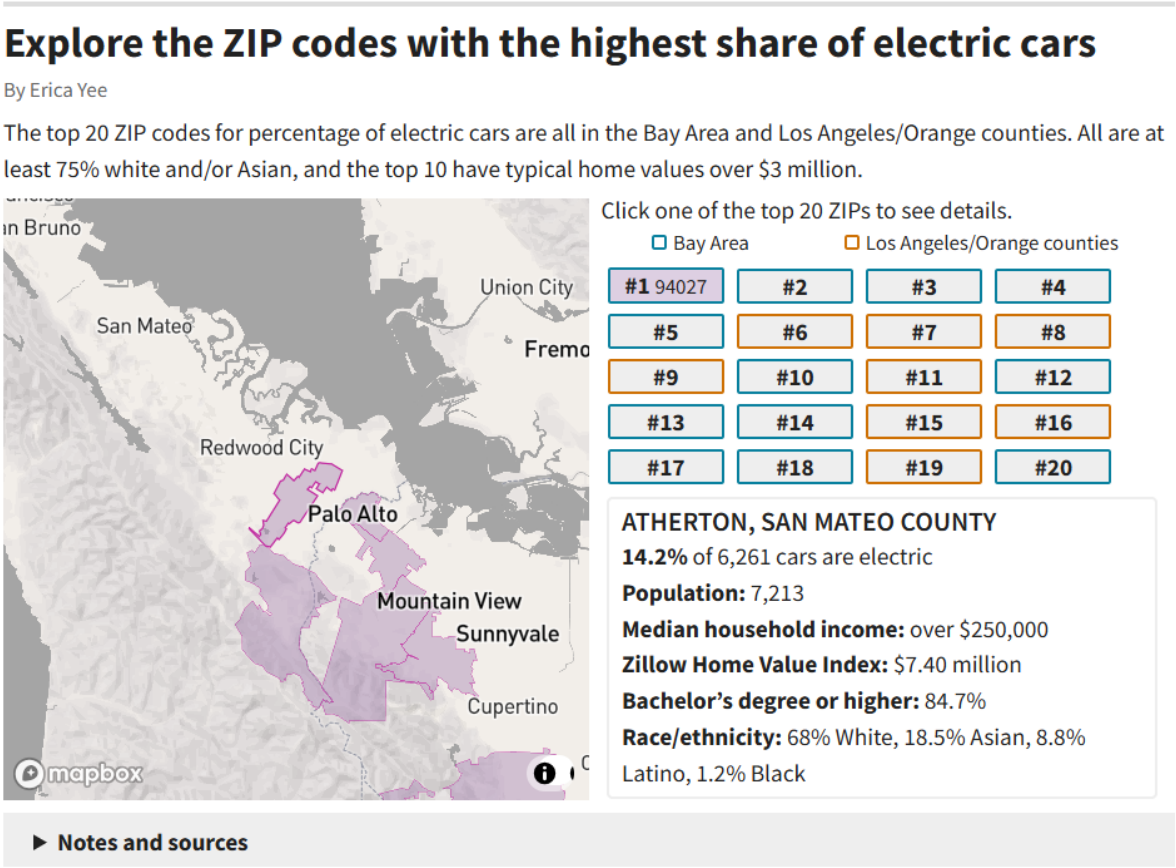
vehicles in just 11 years. Car buyers are leery because the state still has only a fraction of the recharging stations conversion requires.

It's a microcosm of the larger uncertainty.

Dan Walters in CAL Matters, May 28, 2024.

Item 3 - Who buys electric cars in California — and who doesn't?

BY NADIA LOPEZ AND ERICA YEEMARCH 22, 2023



California's highest concentrations of electric cars — between 10.9% and 14.2% of all vehicles — are in ZIP codes where residents are at least 75% white and Asian. In addition to Atherton, that includes neighborhoods in Los Altos, Palo Alto, Berkeley, Santa Monica and Newport Coast, among others.

In stark contrast, California ZIP codes with the largest percentages of Latino and Black residents have extremely low proportions of electric cars.

In the 20 California ZIP codes where Latinos make up more than 95% of the population — including parts of Kings, Tulare, Fresno, Riverside and Imperial counties — between zero and 1% of cars are electric.

And 17 of the 20 communities with the highest percentage of Blacks have between zero and 2.6% electric cars. (Los Angeles' relatively affluent Ladera Heights and two Oakland ZIPs have between 3.3% and 4.7%.)

Cal Matters, March 22, 2024.

Item 4 - Plastic Bag Ban Fraud: California Lawmakers Vote to Now Ban 'Reusable' Plastic Grocery Bags

'It's very unlikely that many animals are killed by plastic bags – the evidence shows just the opposite' *By Katy Grimes, May 28, 2024.*

After forcing California grocery shoppers into "reusable" plastic bags at .10 cents a piece, flighty lawmakers are trying to ban them outright now. California lawmakers have voted to do away with reusable plastic bags – again.

Assembly Bill 2236 and Senate Bill 1053, authored by Assemblywoman Rebecca Bauer-Kahan (D-Orinda) and Senator Catherine Blakespear (D-Encinitas), propose to ban **any kind of plastic bag** at food stores and convenience stores. Both bills will act as an expansion of SB 270, a 2014 bill that was approved of by voters in 2016 as Proposition 67, which banned all "one time use" plastic bags, and only allowed thicker plastic bags to be purchased in stores.
Reduce. Reuse. Recycle. We hear this daily and see those orders nearly everywhere. Paper or plastic? Separate out your wet garbage and put it in another recyclable food bin. Separate bottles and cans. Compost. Rinse. Repeat.

Yet none of this has reduced landfills. And recyclers in California are going broke. According to CalRecycle, statewide recycling rate dropped significantly from 2020.

And don't lawmakers Bauer-Kahan and Blakespear have more important issues they should be addressing instead of pretending to care about plastic bags: Escalating crime, a growing drug-addicted homeless population, increasing energy costs, energy shortages, failing public schools, pro-Palestine protesters on college campuses threatening Jewish students… oh, and a $73 billion budget deficit?

CalRecycle reports legislation signed by Gov. Newsom requires all packaging be recyclable or compostable by 2032, with 65% of it recycled by 2032, shifting the burden from the consumer to the packaging producer. Expect prices to go up – again.

And now comes more legislation to ban plastic bags. But banning plastic grocery bags does not reduce disposal and recycling costs, studies over the last 9 years have shown.
And their lies, environmental myths, exaggerations and misinformation that have been spread about plastic bags have led many to believe that plastic bags kill 100,000 sea mammals and one million seabirds each year. Each of the bill authors have used this emotional argument and trotted out the much-used photo of a turtle with plastic bag in its mouth as proof. Not only is the story about the turtle not true, *The London Times* exposed the dead sea mammals and seabirds as a myth based on a typographical error. The original report mentioned discarded fishing tackle including fishing nets, not plastic bags. David Santillo, a marine biologist at Greenpeace, told *The Times*: "It's very unlikely that many animals are killed by plastic bags. The evidence shows just the opposite."
In 2009, when plastic bag bans were all the rage in cities around the country, and paper bags were considered tree killers, I reported in the Washington Examiner:

San Francisco's ban on plastic bags has not provided the environmental results it expected. Anticipated environmental gains resulting from the ban were "nonexistent at best," and the ban likely did more harm than good. Consumers just switched from single plastic to double paper bags; few consumers remembered reusable totes, which caused delays in checkout; and recycling bins were hard to find or nonexistent.

Additionally, A recent microbiological study found unacceptably high levels of bacterial yeast, mold and fecal bacteria counts reside in the reusable bags (nastysack.com).

The study found that 64 percent of the reusable bags tested were contaminated with some level of bacteria, and close to 30 percent had elevated bacterial counts higher than what's considered safe for drinking water. Further, 40 percent of the bags had yeast or mold, and some of the bags had an unacceptable presence of fecal intestinal bacteria when there should have been zero.

They are only now realizing that their low-carbon footprint bag is also filled with nasty bacteria if not washed regularly. A recent microbiological study found unacceptably high levels of bacterial yeast, mold and fecal bacteria counts reside in the reusable bags (nastysack.com).

I wonder if Assemblywoman Bauer-Kahan and Senator Blakespear carry reusable cloth nasty bags. Both lawmakers claim studies found that most Californians are either not recycling those bags or are still using the thicker bags as one time only bags, despite being designed to be used multiple times. According to one state study cited by Blakespear, the amount of plastic shopping bags trashed per person grew from 8 pounds per year in 2014 to 11 pounds per year in 2021, despite the massive law change. Both lawmakers claim plastic bags are still causing environmental damage, and that a total ban is the only way to stop it. Some coastal cleanup surveys also found that volunteers have collected over 300,000 plastic grocery bags in the last three decades.

Only there are no links to those supposed studies. They also still claim many people dispose of plastic bags after just one or a few uses. Yet most people tell you they use plastic bags multiple times, for myriad uses – especially after being forced to pay for them.

A report from Ocean Conservancy claims many people dispose of plastic bags, after just one or a few uses. But in the report they say the AG Rob Bonta and the California Department of Justice have sent letters to seven top plastic bag manufacturers in the state asking them to substantiate claims that their bags are recyclable. This sounds like the real motive behind Assemblywoman Bauer-Kahan's and Senator Blakespear's bills.

According to a study by the National Center for Policy Analysis, an examination of the bag bans and budgets for litter collection and waste disposal in San Francisco, San Jose, the City and County of Los Angeles, Washington, D.C., and Brownsville and Austin, Texas, showed no evidence of a reduction in costs attributable to reduced use of plastic bags.
Plastic bag manufacturers argue that the litter problem is caused by careless people. Enforcing litter laws would go much further to helping the environment.

Instead, the bills will likely be sent to Gov. Gavin Newsom for his approval.

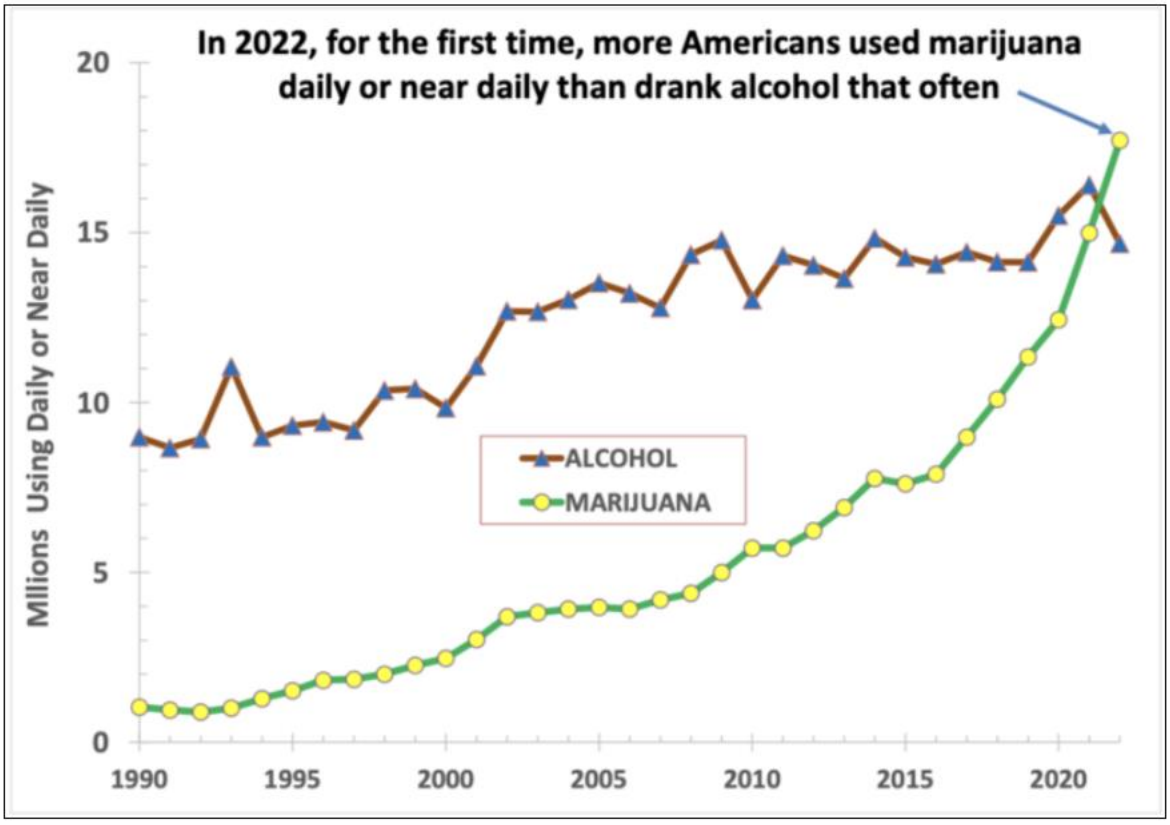
Katy Grimes, the Editor in Chief of the California Globe, is a long-time Investigative Journalist covering the California State Capitol, and the co-author of California's War Against Donald Trump: Who Wins? Who Loses? Cal Globe, May 28, 2024

Item 5 - POSTED ON MAY 27, 2024 BY STEVEN HAYWARD IN THE DAILY CHART

THE DAILY CHART: GONE TO POT?

Evidence continues to accumulate that our rush to legalize marijuana is a major mistake, bot for public and mental health reasons, and for fiscal reasons (it hasn't been the tax bonanza a lot of governments thought it would be, nor is it a great business, as some people predicted).

The Washington Monthly reports that daily pot use has now surpassed daily alcohol use, and from the odor of many streets in Manhattan I can believe it: "A new study has documented a remarkable rise in Americans' use of marijuana. Over the last 30 years, the number of people who report using the drug in the past month has risen fivefold from 8 million to 42 million."



Then there's this:

Legalization and commercialization have produced a spectacular rise in the potency of cannabis products. Until the end of the 20th century, the average potency of seized cannabis never exceeded 5 percent THC, its active intoxicant. Now, the labeled potency of "flower" sold in state-licensed stores averages 20-25 percent THC. Extract-based products like vape oils and dabs routinely exceed 60 percent. Back in the 1990s, a person averaging two 0.5-gram joints of 4 percent THC weed per week was consuming about 5 milligrams of THC per day on average. Today's daily users average more than 1.5 grams of material that is 20-25 percent THC, which is more than 300 milligrams per day. That is far more THC than is consumed in typical medical studies of its health effects.

And you only thought the nation was going to pot figuratively.

Steve Hayward, Power Line , May 27, 2024.

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

TAKING BACK CALIFORNIA – PART FIVE: ABUNDANT WATER

As with energy, water shortages in California are largely the product of political choices. And as with energy, this is an opportunity for politicians willing to present voters with alternatives.

BY EDWARD RING

If energy powers modern civilization, then water gives it life. And in California, for at least the last 20 years, with escalating severity, life has been tough. There isn't enough water to go around. But as with energy, the water shortages in California are largely the product of political choices. And as with energy, this presents an opportunity for politicians willing to present voters with alternatives.

California's chronic water shortages aren't happening because droughts have become more severe, although that is part of the cause. But the main reason there is water scarcity is because Californians have been relying on a water supply infrastructure that was largely completed more than 50 years ago, when the state's population was half what it is today. Since then, investment in water infrastructure has been neglected at the same time as environmentalists have demanded increasing percentages of water remain in the rivers as "unimpaired flow." In response, rationing has been the tool of choice to allocate what water supplies remain available for the state's farms and cities.

When designing policy alternatives to rationing, the first thing to understand is that California's cities don't use very much water compared with other uses. On average, the state's water supply systems divert 75 million acre feet of water from rivers and aquifers, and only around 10 percent of that is used for urban consumption. Moreover, residential water use only accounts for about 6.5 percent of total water diversions in California, or just around 5 million acre feet per year. And of that, 3 million acre feet of that is for interior water use, all of which could be recycled and reused. As for residential outdoor water use, a mere 2 million acre feet per year, this water percolates to help recharge urban aquifers and to irrigate urban landscaping, which helps absorb and filter runoff during storms.

New policies and more investment in water are required, not only because Californians have neglected to maintain and upgrade their water supply infrastructure, even as their population has

doubled since the 1970s. Californians are also are going to need more water because they're losing Colorado River water. For the last 20 years, 15 million acre feet per year was being taken out of Lake Powell and Lake Mead to be diverted to farms and cities in the Southwest—primarily Nevada, Arizona, and California—and on average, only 12 million acre feet a year was going back in thanks to a prolonged drought affecting the entire watershed. So those lakes are almost empty.

Californians also need more water supply infrastructure because the combination of droughts and continuously escalating requirements for water to be released from dams to maintain aquatic ecosystem health has led farmers to withdraw far more groundwater then is naturally replenished. Over the past several years, an estimated 16 million acre feet per year has been pumped out of California's aquifers, leaving many of them dangerously depleted. Between droughts, the draining of Colorado River reservoirs, and depleted groundwater, Californians are going to have to find a source for millions of acre feet per year of new water; most estimates range around 5 million acre feet per year. Getting all of that via conservation will lead to urban water rationing and major reductions in irrigated farm acreage.

The good news is that California is uniquely positioned among the states in the American Southwest to get more water. The state has an 840 mile border with the Pacific Ocean so they can build desalination plants. Even in dry years, California is pummeled with so-called atmospheric rivers that hit the Sierras and dump tens of millions of acre feet onto the high-altitude snowpacks and down the rivers into the Sacramento-San Joaquin Delta. Californians have the potential to solve water scarcity for the entire Southwest if we properly harvest water in this state.

What is needed, just as with energy, is an all-of-the-above strategy to develop new water supplies. Conservation is not enough, mostly because the state has already taken most reasonable measures. California's farmers have doubled their productivity per unit of water over the past 30 years while using the same total amount of water. They were using about 30 million acre feet per year back in the 90s, and they're still only using 30 million acre feet.

The same impressive achievements in conservation have been made in California's cities, where total water use per year has dropped from 9 million acre feet in the 1990s to 7.5 million acre feet today. The last time California's urban water consumption was only 7.5 million acre feet was in 1989, when only 29 million people lived there. Today there are 39 million Californians. People have become extremely good at conserving water in California.

The question we should be asking is: how much does even more conservation cost in terms of money and consumer inconvenience when permanent new supplies of water are attainable and might actually cost less? How many people are truly satisfied with new washing machines that take an hour and a half to complete a wash cycle? This is inconvenient. After a long day at work, people want to get the wash done before 9 p.m. And why are we calling appliances like this the last mile of conservation for interior water use when we can recycle all of our interior water?

Where to Find Additional Millions of Acre Feet

There are three big solutions to delivering more water to Californians that sort of go together: more capacity to divert storm runoff from the Delta, more off-stream reservoirs, and more aquifer recharge. All three of these depend on harvesting water from atmospheric rivers; that's when there's so much rain coming down that the concern is no longer making sure ecosystems are getting an adequate pulse but rather that flooding needs to be controlled. It's during these events that we could, if the capacity was there, harvest and store millions of additional acre feet per year, if not tens of millions of acre feet in very wet years.

Another large-scale possibility for more water supply is to recycle urban wastewater. Of the roughly 2 million acre feet per year of urban wastewater that is treated in California's coastal cities, only about 25 percent of it so far is treated and reused. The rest is treated and discharged into the Pacific Ocean or the San Francisco Bay and its estuaries. Getting the rest of this wastewater treated and reused would not only deliver more than a million acre feet of new water to California's coastal cities, but it would also solve the problem of nitrogen pollution, which even in treated water is currently being dumped into the San Francisco Bay and the Pacific Ocean. In both cases, but especially in the Bay and Delta, this nutrient-rich outfall has nurtured algae blooms that kill fish and create dead zones. Investing in wastewater reuse would increase California's water supply, but it would also rescue these ecosystems.

Not mentioned yet is urban runoff harvesting. This is an interesting topic: right before the crucial vote to approve or deny the Huntington Beach desalination plant, the Pacific Institute, an environmentalist think tank, put out a study claiming that Californians can get up to 3 million acre feet a year from urban storm runoff. The way they came up with that amount was by compiling data over several years to determine how many inches of rain falls in urban areas, and then by overlaying that data onto a geographic grid, they calculated the total acre feet of runoff in each metropolitan region in the average wet year and the average dry year.

The timing of this study may have been to convey the idea that if we need more water, desalination is not the easiest choice. But it failed to take into consideration the practical engineering challenge of harvesting water during a severe downpour. For example, in the Los Angeles Basin, you only have 30 miles from the San Bernardino Mountains to the Long Beach Channel and if you get 14 inches of rain in a single day, you can't possibly get that torrent into storage. Most of it will go into the ocean. The study also ignored the necessity to not only harvest and store storm runoff but to then treat it to usable standards. Consider this excerpt from Los Angeles Waterkeeper, "LA's water watchdog," describing exactly what happens during a major storm:

"In Los Angeles, our concretized LA River and all its tributaries turn into the city's largest sewer, carrying pesticides and herbicides from our homes, oils, and grease from our roads, heavy metals and other toxins from Los Angeles' businesses, and trash, bacteria, and other contaminants from local communities straight into our waterways."

That's quite a spew. In Orange County, runoff travels over less mileage of contaminated surfaces on its way to aquifer storage, and those contaminants are filtered as they percolate, diluted within the aquifer, then treated again when pumped up for use. Many of the aquifers in the Los Angeles

Basin, on the other hand, are contaminated. To cope with this, the Los Angeles Dept. of Water and Power has begun groundwater remediation with the ultimate goal of relying on these massive aquifers to store millions of acre feet of imported water, recycled wastewater and storm runoff. In the meantime, long-standing efforts are now accelerating to "unpave" the city, especially upstream, where the runoff doesn't hit as many surface contaminants.

Taking these mitigating factors into account, it is nonetheless reasonable to assume that at least an additional half-million acre feet of urban storm runoff can be harvested, stored, treated and used by California's cities. There are all kinds of mid-scale projects already underway to accomplish this. For example, the Los Angeles River tributaries are now being supplemented with percolation basins to recharge aquifers. From existing plans, they expect these projects to harvest an additional 250,000 acre feet per year.

Desalination has already been proven successful in San Diego, where the Carlsbad plant produces 50,000 acre feet of fresh water per year. The plant that was proposed in Huntington Beach would have added another 50,000 acre feet to that total, but was rejected by the California Coastal Commission in 2022 in a 12-0 vote. This denial came after the contractor spent more than $100 million on engineering, permits, lobbying, public relations, and defending against litigation. Even Governor Newsom supported the project, although it isn't clear he fought hard to sway members of the Coastal Commission.

California is the most expensive place in the world to build a desalination plant. The Carlsbad plant cost more than $1 billion, and adjusting for inflation, the proposed Huntington Beach plant was estimated to cost roughly the same amount. Other nations can build these plants for less than half the cost per unit of capacity. In this regard, desalination suffers the same financial uphill battle as nuclear power plants: construction costs are grossly inflated due to overregulation and litigation. Since the price of water and power is largely determined by the amount that recovery of construction costs add to the bills sent to consumers every month, desalination and nuclear solutions are derided by critics as too expensive. But that expense is mostly a political choice, not an engineering reality.

A Tremendous Opportunity to Increase California's Water Supply

There is a proposal to get water out of the Delta that doesn't require an underground tunnel, nor does it require allegedly destructive pumping into southbound aqueducts. A coalition of farmers, water agencies and cities in the San Joaquin Valley propose to cut a couple of channels into existing Delta Islands where the ground level is below the level of the water in the channels and bury perforated collection pipes under a gravel-filled infiltration bed on the bottom of the channels. They claim that this system can collect 15,000 acre feet per day from a 200 acre channel. This is a fish-friendly way to collect water because the channels are open at both ends and there are no pumps to trap the fish.

The potential of this innovation is best understood by considering how much so-called "uncaptured water" flows through the Sacramento-San Joaquin Delta every winter and spring. According to data compiled by the Public Policy Research Institute, the average amount of

uncaptured water over the past 25 years has been in excess of 10 million acre feet per year. In the very wet winter of 2022-23, more than 25 million acre feet flowed through the Sacramento-San Joaquin Delta. Just pulling another 20 or 30 percent of this excess water out using these fish-friendly diversion channels and storing it in the vast underground aquifers of the San Joaquin Valley would transform California's water supply equilibrium.

Another argument in favor of this project is its estimated construction cost, which, at $5 billion, is by far the lowest capital cost per unit of new water supply. But there are additional projects to increase California's supply of water that are urgently needed. Surface storage is required to provide enhanced flood control, hydroelectric power, the ability to release water into the rivers on demand, and, in some cases, to bring water storage closer to water consumers.

There are at least five reservoirs that have been planned for decades and ought to have been completed by now. Three of them are merely slow to come to fruition and grossly overpriced, thanks to years of litigation and countless demands for new engineering and environmental studies.

The Sites Reservoir, located in Colusa County, has been proposed and in the works for 70 years, and construction may finally begin in the next year or two. The Sites Reservoir is supposed to be a twin to the San Luis Reservoir, which provides up to 2 million acre feet of off-stream storage. This means it is mostly filled up not through natural runoff in its watershed but with water pumped in from the aqueducts south of the Delta. San Luis also stores electricity through so-called pump storage. Water is pumped from the aqueduct into the O'Neill Forebay and then during full sun, when surplus power is bursting out of our solar farms all over the state, they use that cheap electricity to pump the water into the San Luis reservoir. During peak demand, starting around 5 p.m., they release it and generate 450 megawatts for several hours. This is repeated daily.

Pump storage was originally intended for the Sites Reservoir project, but despite being a tremendous opportunity, the reservoir was downsized to 1.5 million acre feet of capacity and pump storage was not included in the final design.

To help California's endangered salmon, you have to raise the Shasta Dam. Current plans, for which the engineering is complete, call for an 18-foot raise, adding 600,000 acre feet of capacity. Because Shasta is a deep water reservoir, more water behind the dam means more water is available to cool the Sacramento River whenever salmon are running and the temperature in the water rises higher than 70 degrees.

One project moving forward in the San Francisco Bay Area is the expansion of the Vaquero Reservoir, but the other project, the proposed Pacheco Reservoir in the south bay, will probably never get built despite being badly needed to offer water supply resiliency to the entire Silicon Valley region. Also badly needed south of the Delta is the Temperance Flat Reservoir, approved by voters in 2014 but all but killed by hostile bureaucrats and environmentalists. In the winter of 2022-23, and again in the winter of 2023-24, the Temperance Flat reservoir could have been filled, adding 1.3 million acre feet of storage.

One of the big arguments against Temperance Flat, raising the Shasta Dam, and all surface storage is that they will never fill up because climate change means we're not going to have any rain anymore. The problem with that logic, of course, is that even if climate change concerns are completely valid, it means we have extreme weather where there may be years with tremendous rain but not much snow, as well as longer droughts. *In both cases*, having more storage capacity will be essential to maintaining water security.

The Energy and Financial Cost of Water Abundance

As shown in the next chart, it would only take 1.3 gigawatts of baseload electricity to operate this mix of projects to add 5 million acre feet to California's annual water supply. This is important to understand because we hear as if it is beyond debate that if we produce more water, it's going to break the energy bank.

The Energy Cost of Water Abundance

(gigawatt-years)

	MAF GW
Storm diversions from Delta	1.0 @ 0.2
New/expand reservoirs (yield/year)	1.0 @ 0.3
Aquifer recharge from storms	1.0 @ 0.3
Treat urban wastewater	1.0 @ 0.2
Urban runoff harvesting	0.5 @ 0.1
Desalination (10x Carlsbad)	0.5 @ 0.2
Total	5.0 @ 1.3

(An all-electric CA requires 105 GWy electricity)

We are told that 20 percent of the energy we use in California is for water but this is very misleading. The 20 percent number is roughly accurate, but according to the Public Utility Commission's own data, 86 percent of that 20 percent is to heat water for residential and industrial use. But getting wholesale water for water operations—that's the energy necessary for pumping, pre-treatment, and wastewater treatment—is only 14 percent of that 20 percent, which means only 2.8 percent of our total energy use in California is for water operations. In turn, as shown on the chart, this means our wholesale water supply could be greatly increased. Water for landscaping, for example, is not going to break the energy bank.

Greatly increasing the supply of water in California does not need to break the state financially either. The cost estimates on this chart show a mix of projects that would deliver 5 million acre feet per year for an investment of $100 billion. While that sounds like a lot, it is important to compare that estimate to what the state committed to spend back in 1957 when they came up with California's first state water plan.

Water Abundance at California Prices

Storm diversions from Delta	1.0 @ $5B
Aquifer recharge from storms	1.0 @ $10B
New/expand reservoirs (yield/yr)	1.0 @ $15B
Treat urban wastewater	1.0 @ $30B
Urban runoff harvesting	0.5 @ $20B
Desalination (10x Carlsbad)	0.5 @ $20B
Total	5.0 @ $100B

Sources: Wastewater – MET, OCWD GWRS; Desalination – Poseidon, Sorek; Pumping – CA Dept of Water Resources

Back then, the projected total cost was $12 billion, which is $130 billion in today's dollars. To put this in perspective, $12 billion was *six times* the state's total General Fund budget in that year. If we spent $100 billion on water today—and we wouldn't spend it in one year—that represents only one-third of our current General Fund budget. They were so serious about water 66 years ago in California that they were able to make a commitment 12 times greater than what it would cost us today to restore water abundance in this state.

Water scarcity is not being forced upon Californians by climate change. Like so many other fundamental challenges Californians must endure—energy scarcity, catastrophic wildfires, and unaffordable housing—the problem is mismanagement. Investment in water and energy infrastructure would increase the supply and lower the cost for energy and water. Investment in the timber industry would restore health to California's forests at the same time as it would increase the supply and lower the cost for lumber. If all of this happened, the consequence would be a lower cost for three of the most essential variables affecting the price of home construction.

Scarcity of essentials in California is also not a product of financial wherewithal. Californians have chosen to spend taxpayer revenues on welfare and entitlements, a bureaucracy that could probably be cut in half without sacrificing services. In a different era, California's state government invested orders of magnitude more funds in energy, water, and transportation infrastructure. In turn, that enabled the private sector to capitalize on low-cost inputs to create jobs that easily paid enough for employees to support families in an economy that had an affordable cost of living.

Ultimately, it is a political choice to impose scarcity on Californians that has created chronic water scarcity, along with scarcity of everything else essential to enabling working families to live with a decent quality of life. Much of the blame for this can be attributed to an environmentalist movement that has become a self-serving industry. But the environmentalist political machine, hiding behind armies of thoroughly indoctrinated activists, itself gives cover to business interests with products and services that depend on environmentalist mandates, to financial special interests that profit from scarcity and asset inflation, and to government bureaucrats that grow their organizations every time another environmentalist regulation has to be enforced.

Californians endure scarcity in order to benefit this powerful political coalition. Environmentalism is a necessary part of any healthy society when it is right-sized and balanced with the needs of people. But in California, it is something entirely else. It has become the tool through which working families are being driven into dependency, as more and more economic and political power is consolidated in the hands of government, corporations, and billionaires.

The solution to water scarcity is easy: build more water supply infrastructure. Fifty years ago, the state's leadership implemented that solution, needing only a few years to plan and complete projects that today fail to materialize after decades of planning. Californians have not lost their ability to build, and build fast, and they have ample wealth to fund big projects. Those reasons do not explain the paralysis. To achieve water abundance in California, as well as abundance in all things, the real source of the problem must first be recognized.

Edward Ring is a senior fellow of the Center for American Greatness. He is also the director of water and energy policy for the California Policy Center, which he co-founded in 2013 and served as its first president. Ring is the author of Fixing California: Abundance, Pragmatism, Optimism (2021) and The Abundance Choice: Our Fight for More Water in California (2022). This article first appeared in the American greatness, of May 29, 2024.

ANNOUNCEMENTS

ANDY CALDWELL SHOW NOW LOCAL IN SLO COUTY

Now you can listen to THE ANDY CALDWELL SHOW
in *Santa Barbara, Santa Maria & San Luis Obispo Counties!*
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
The show now covers the broadcast area from Ventura to Templeton -

THE only show of its kind on the Central Coast covering local, state, national and international issues! 3:00-5:00 PM WEEKDAYS
You can also listen to The Andy Caldwell Show LIVE on the Tune In Radio App and previously aired shows at: 3:00-5:00 PM WEEKDAYS

COUNTY UPDATES OCCUR MONDAYS AT 4:30 PM

MIKE BROWN IS THE REGULAR MONDAY GUEST AT 4:30!

SUPPORT COLAB

MIKE BROWN ADVOCATES
BEFORE THE BOS

\

VICTOR DAVIS HANSON ADDRESSES A COLAB FORUM

DAN WALTERS EXPLAINS SACTO MACHINATIONS AT A COLAB FORUM

AUTHOR & NATIONALLY SYNDICATED COMMENTATOR/RADIO HOST 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

JOIN OR CONTRIBUTE TO COLAB ON THE NEXT PAGE

Join COLAB or contribute by control clicking at: COLAB San Luis Obispo County (colabslo.org) or use the form below:

Coalition of Labor, Agriculture and Business
San Luis Obispo County
"Your Property – Your Taxes – Our Future"
PO Box 13601 – San Luis Obispo, CA 93406 / Phone: 805.548-0340
Email: colabslo@gmail.com / Website: colabslo.org

MEMBERSHIP APPLICATION

MEMBERSHIP OPTIONS:

General Member: $100 – $249 ❑ $ _____ **Voting Member: $250 - $5,000 ❑ $ _____**

Sustaining Member: $5,000 +❑ $ _____

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

General members will receive all COLAB updates and newsletters. Voting privileges are limited to Voting Members and Sustainable Members with one vote per membership.

MEMBER INFORMATION:

Name: _____

Company: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Fax: _____ Email: _____

How Did You Hear About COLAB?

Radio ❑ Internet ❑ Public Hearing ❑ Friend ❑

COLAB Member(s) /Sponsor(s): _____

NON MEMBER DONATION/CONTRIBUTION OPTION:

For those who choose not to join as a member but would like to support COLAB via a contribution/donation.
I would like to contribute $ _____ to COLAB and my check or credit card information is enclosed/provided.

Donations/Contributions do not require membership though it is encouraged in order to provide updates and information.
Memberships and donation will be kept confidential if that is your preference.
Confidential Donation/Contribution/Membership ❑

PAYMENT METHOD:

Check ❑ Visa ❑ MasterCard ❑ Discover ❑ Amex NOT accepted.

Cardholder Name: _____ Signature: _____

Card Number:_____Exp Date: ___/___ Billing Zip Code: _____ CVV:____

TODAY'S DATE: _____