COLAB San Luis Obispo County

The Coalition of Labor Agriculture and Business

WEEKLY UPDATE
SEPTEMBER 29 - OCTOBER 5, 2024

THIS WEEK
SEE PAGE 5

NO BOARD OF SUPERVISORS

SLOCOG

WRESTLES WITH DISASTROUS VMT MANDATE
VEHICLE MILES TRAVELED COULD SHUT DOWN HOMES AND NEW DEVELOPMENT

OTHERWISE A LIGHT WEEK

LAST WEEK
SEE PAGE 10

SLO PENSION TRUST

ON TRACK TO HIT OR BETTER THE 6.75% ASSUMPTION RATE FOR THE YEAR

SLO BOARD OF SUPERVISORS MEETING

COUNTY FUNDS ALLOCATED FOR TAKEVOVER OF OCEANO CSD FIRE SERVICES

BOARD ASKED TO PROCLAIM ITSELF "AGAINST HATE"
HOW DO SOME MEMBERS FEEL ABOUT CONSERVATIVES?

FUNDING FOR PASO BASIN COOPERATIVE COMMITTEE
YOU WOULD THINK THAT AB 2453 HAD ACTUALLY PASSED

FY 2023-24 YEAR END FINANCIAL REPORT
THEY ARE OK FOR THE SHORT TERM

HOW ABOUT A LITTLE FUNDING FOR THE AFFORDABLE HOUSING FUND?

BIKE PATHS TO BECOME "TRANSPORTATION ROUTES"
NOT SUBJECT TO BAN ON CONDEMNATION FOR TRAILS

NACI PIPELINE LEAKS: GIFTS THAT KEEPS GIVING

SUPERVISOR REQUESTS

PLANNING COMMISSION LIGHT AGENDA

COMMUNICATIONS TOWERS DISGUISED AS FAUX WATER TANKS

ADDENDUM I

NOVEMBER STATE PROPOSITION RECOMMENDATIONS
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EMERGENT ISSUES

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CLIMATE CONFUSION

THE EARTH IS CURRENTLY NEAR ITS LOWEST TEMPERATURE FOR THE LAST 485 MILLION YEARS

GOV. NEWSOM SIGNS NEW LAWS CRACKING DOWN ON OIL INDUSTRY IN CALIFORNIA

WHAT DO CALIFORNIANS OWE THE HOMELESS?

NEWSOM'S ABX2-1 WILL ARTIFICIALLY CREATE A FUEL SHORTAGE CRISIS BY LIMITING DISTRIBUTION OF FUEL

COLAB IN DEPTH

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THE CORRUPT ECONOMICS OF IMMIGRATION

That California politicians like Kamala Harris have succeeded in selling open borders to the American people as necessary to solve the twin crises of "climate" and "equity" is a con job for the ages

BY EDWARD RING

EDUCATION FOR FREEDOM, NOT DEI

THE DIRE URGENCY FOR ACCESS TO ALTERNATIVE IDEAS

BY *BRUCE THORNTON*

SPONSORS

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

No Board of Supervisors Meeting on Tuesday, October 1, 2024 (Not Scheduled)

San Luis Obispo County Council of Governments Meeting of Wednesday, October 2, 2024 (Scheduled)

WARNING: DISASTROUS STATE MANDATE

Item F-3 Vehicle Miles Traveled Mitigation Study. The narrow purpose of the item is to receive authorization to refine some components of the study and recommendations already received.

The underlying State mandate and resulting impacts on housing, jobs, and the standard of living are disastrous.

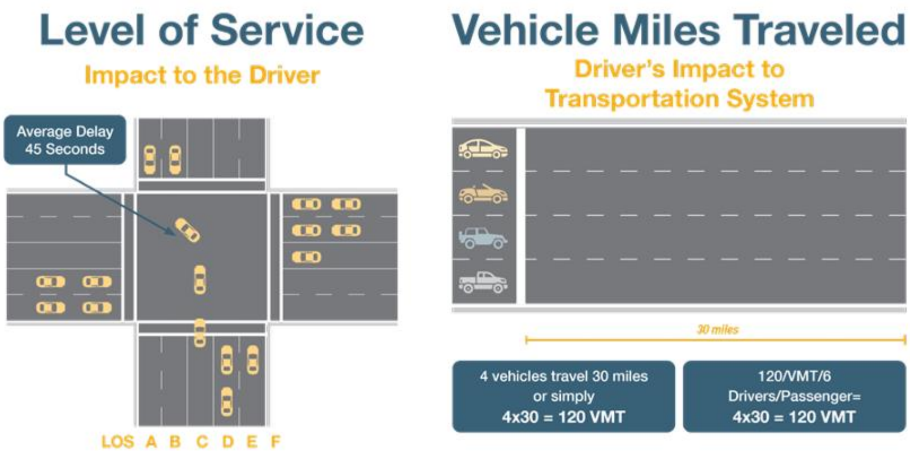
Ultimately, the SLOCOG and its member jurisdictions have no choice but to comply with the draconian State law, SB 743, designed to reduce carbon emissions by regulating human freedom of mobility and living choices. A thin majority of the SLOCOG seem to be seeking ways to mitigate the impacts of the law, which is particularly onerous for rural and suburban areas. This has turned out to be much more difficult than originally recognized.

1. Essentially, this is another massive scheme for taxing new homes and commercial development in the name of environmental mitigation of the traffic and the CO_2 impact of new homes, commercial development, and industrial development. The official doctrine states in part:

California's Senate Bill (SB) 743 represents a significant shift in evaluating transportation impacts under the California Environmental Quality Act (CEQA), moving from congestion measures to vehicle miles traveled (VMT) for assessing land use projects and transportation improvements. Historically, transportation impacts were measured using Level of Service (LOS), a concept established in the Highway Capacity Manual (HCM), which evaluated impacts based on drivers' experiences and assigned grades from "A" to "F." However, focusing on LOS has led to unintended consequences such as urban sprawl, increased vehicular travel (induced demand), and negative impacts on active transportation, public transit, and public health. SB 743 shifts the metric to VMT, a more holistic measure considering the total miles traveled by vehicles due to a project, encouraging urban infill development, and promoting active transportation and transit use. This shift aims to foster sustainable development patterns, reduce greenhouse gas emissions, and mitigate environmental impacts associated with vehicular travel. By focusing on VMT, SB 743 aligns with California's broader sustainability goals, creating more sustainable and livable communities through integrated transportation and land use planning. Exhibit ES-1 provides a summary of the differences between LOS and VMT.

All of this is on top of existing land use fees, CEQA, capital exaction (taxes for infrastructure), affordable housing mandates, special assessments, school fees, and AB 1600 fees.

Exhibit ES-1 – Level of Service vs. Vehicle Miles Traveled



2. The amount of VMT reduction necessary is first tied to both the types of development (commercial and residential). The consultants developed a model based on the county's projected rate of growth (both incorporated and unincorporated) between now and 2045.

Table 2 – Potential Land Use Growth and VMT to Mitigate, 2023 to 2045

VMT Type	Future VMT to Mitigate		
	Residential	Employment	Total
Total VMT (Thru 2045)	446,967	305,507	752,474
Total VMT per Year	20,317	13,887	34,204

The VMT for each new home, home development, commercial use, and industrial use proposed would be calculated. The owner or developer would then be required to figure out how to mitigate the attributed amount.

3. Further complicating the picture is the problem that the metric would also be viewed from a social engineering standpoint of VMT related to "environmental justice" vs. "non-environmental justice." Environmental justice communities are presumably poor and minority.

Table 3 – VMT Mitigation Need by Environmental Justice Community

Community Type	Future VMT to Mitigate		
	Residential	Employment	Total
Environmental Justice	159,353	125,070	284,423
Non-Environmental Justice	287,613	180,437	468,050
Total VMT (Thru 2045)	446,967	305,507	752,474

4. Rates of the number of trips to be reduced or mitigated would be assigned per the sample below.

Table 4 – Potential Land Use Growth and VMT to Mitigate, 2023 to 2045

Measure	Residential	Employment
Total Growth in Units (DU/Jobs)	17,920	21,164
Total VMT to be Mitigated (Thru 2045)	446,967	305,507
Average Amount of VMT to Mitigate per Residential Unit/Job*	24.9	19.7
Annual Units Constructed or Jobs Created**, 2021 – 2024	166	196
$/VMT Reduced	$1,200/VMT	$1,200/VMT
Annual Revenue	$4.97 million	$4.63 million

5. Adding another layer of complexity is the idea that based on land use, some areas would be required to mitigate more VMT than others. Thus zones would be created. For example, in this model (see the graphic below), the blue zone would have higher rates because it is in a more rural area and more distant from urban areas, and therefore generates longer trips.

Exhibit 9 – Example VMT Impact Fee Program with Multiple Benefit Areas

Zone		Units	Fees/Unit
1	Residential	Houses	0
	Industrial	S.F.	0
	Office	S.F.	0
	Regional Commercial	S.F.	0
2	Residential	Houses	$2,200
	Industrial	S.F.	$0.12
	Office	S.F.	$0.15
	Regional Commercial	S.F.	$0.22
3	Residential	Houses	$1,500
	Industrial	S.F.	$0.08
	Office	S.F.	$0.11
	Regional Commercial	S.F.	$0.17

6. Some of the methods of mitigating miles that cannot be eliminated are displayed below.

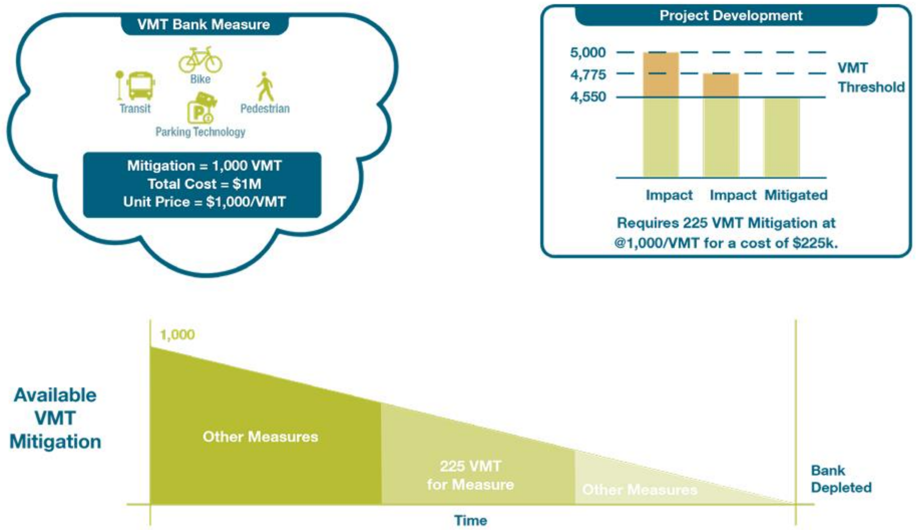
Exhibit 3 – VMT Mitigation Measures

VMT Mitigation Measures		Examples
	Pedestrian	Adding sidewalks or filling in sidewalk gaps
	Bike	New lane miles of bike lanes; filling in gaps in bike infrastructure, or bike share
	Transit	New transit lines, extension of existing service, or adding new service types such as BRT
	Road Diet	Reducing capacity and providing non-auto infrastructure such as protected bike lanes or bus pull outs
	ITS/ TSM	Providing parking wayfinding, optimizing signal systems, providing trip planning services
	Mobility Hub	Provide infrastructure to link multiple types of transportation modes
	Affordable Housing	Providing affordable housing in dense areas, transit-oriented development, or other affordable housing supportive needs
	Vanpool/Carpool	Implement regionwide vanpool and carpool programs or expand existing programs
	Park-and-Ride	Construct park-and-ride lots to increase trip occupancy

7. These would be assigned VMT reduction values. Developers would then have to include them in the costs of their projects or pay into a regional mitigation bank in order to receive project approval.

Let's reduce the capacity of our roads

Exhibit 6 – VMT Bank Example



To establish a VMT mitigation bank, the following steps are undertaken, as shown in Exhibit 6:

1. Identify VMT-reducing mitigation measures, such as bicycling facilities, pedestrian infrastructure, and public transit.

2. Evaluate these mitigation measures to determine the extent of VMT reduction.

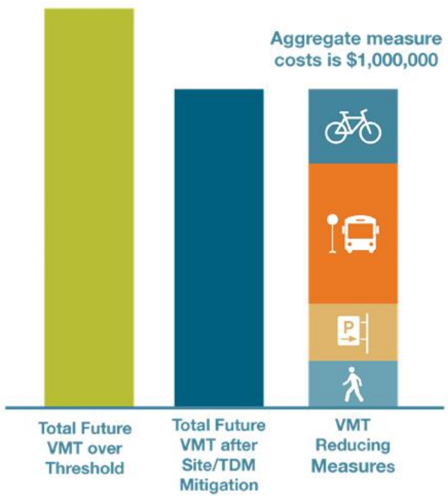
3. Combine the VMT reductions from all mitigation measures to calculate the total mitigated VMT (e.g., 1,000 VMT).

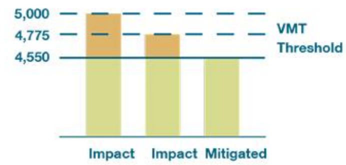
4. Sum up the costs associated with all mitigation measures (e.g., $1 million).

5. Calculate the cost per VMT reduced by dividing the total mitigation measure cost by the total VMT reduction (e.g., $1,000 per VMT).

Once the cost per VMT is established and the VMT bank is operational, a development project can offset its VMT impact by paying a per VMT fee to the bank. For instance, if a project needs to reduce its VMT impact by 225 VMT to meet the respective agency's VMT threshold requirements, the total fee would be $225,000, calculated by multiplying the cost per VMT reduced ($1,000) by the total VMT needing to be reduced (225 VMT). Once the total available VMT is used up by development projects purchasing VMT from the bank, new VMT mitigation measures would need to replenish the VMT bank.

Exhibit 8 – VMT Impact Fee Example





Requires $2,000 payment/house for a total cost of $200k.

VMT Impact Fee Schedule

Land Use Type	Amount	Units	Fee/Unit	Total
Residential	250	Houses	$2,000	$500,000
Industrial	2,500,000	S.F.	$0.10	$250,000
Office	1,000,000	S.F.	$0.13	$125,000
Regional Commercial	250,000	S.F.	$0.20	$125,000
			Total	$1,000,000

There is no indication in the write-up that the current road fees assessed for development impact would go away. The community will still need improved roads, traffic safety improvements, and so on.

A new bureaucracy would need to be created to manage the system. The consultant report points to a new joint powers authority.

When considering the administration of a VMT mitigation program, the structure of the program is the first thing that needs to be determined. Based on feedback received from the Steering Committee, SLOCOG is situated to oversee and administer a VMT mitigation program with the approval of mitigation projects provided by a Joint Powers Authority (JPA) comprised of SLOCOG's member agencies. It is recommended that the JPA be represented by the SLOCOG Board of Directors, which includes representatives from all eight of SLOCOG's member agencies. **Huh???**

SLOCOG Should:

1. Develop some estimates of how much this new regulatory scheme will add to the cost of a home, commercial development, etc.

2. Determine the likely impacts on the achievement of Housing Element goals.

3. Summon in State Representative Dawn Addis, State Representative Gregg Hart, and State Senator John Laird to a public Board meeting and present them with all the problems.

4. The report should be scheduled and presented in a council meeting in each city, as well as a Board of Supervisors meeting. This is too serious to be delegated out.

See the full report here:

F-3 Attachment SLO Regional VMT Mitigation Program Final Report.pdf

LAST WEEK'S HIGHLIGHTS

SLO County Pension Trust Meeting of Monday, September 23, 2024 (Completed)

Item 10 - Monthly Investment Report for August 2024. The fund continued its progress toward hitting or exceeding its 6.75% assumption rate target in 2024.

	1-month	YTD	2023	2022	2021	2020	2019
Total Fund (%) *(Gross)*	1.20	6.6	8.9	(8.0)	15.2	8.9	16.3
Policy Index (%)*	1.30	7.8	10.2	(9.7)	12.8	10	16.4

	YTD	2023	2022	2021	2020	2019
Market Value *(millions)*	$1,801	$1,694	$1,614	$1,775	$1,552	$1,446

All asset classes within the portfolio reported positive returns for August. Top domestic and international manager performers include Atlanta Capital (170 bps), and WCM (230 bps). Year to date gross returns were reported at 6.6%.

San Luis Obispo County Board of Supervisors Meeting of Tuesday, September 24, 2024 (Completed)

Item 5 - Request to 1) approve an agreement between the County of San Luis Obispo and Oceano Community Services District (OCSD) regarding the transfer of current year revenue and certain reserves in connection with the divestiture of the OCSD Fire Services; and 2) approve the assignment and amendment of OCSD's ongoing CalPERS liabilities and responsibilities following withdrawal from the Five Cities Fire Authority joint exercise of powers agreement. The agreement was approved unanimously, as there is really no other alternative in the near term. Current and future overall, all fire and all hazard emergency service needs for the entire County are likely to spark the call for some sort of special tax in the future.

This item was the adoption of the actual agreement between Oceano Community Service District and the County, for the County to take over funding of the District's fire services. The report indicates that the County will start out providing a general fund subsidy of $310,000 per year. This will grow as the cost escalates over the years. The cost does include a factor for the OCSD's unfunded pension liability.

Again, remember that this is a canary in the coal mine warning, as other weaker special districts and cities dissolve under the relentless pressure of cost increases that outstrip local economic growth.

On June 18, 2024, the Board of Supervisors approved the attached contract for services (Attachment 2) between the County and FCFA. The Contract maintains the level of service currently provided to the community of Oceano. The contract will become effective upon LAFCO approval of the District's divestiture, target date of January 1, 2025, and terminate on June 30, 2027, with two one year options to extend. The contract cost is $1,706,000 each year with annual CIP increases.

As specified in the Plan for Service, the County will assume responsibility for OCSD's ongoing CalPERS unfunded actuarial accrued liability (UAAL) arising out of OCSD's participation in Five Cities Fire Authority between June 7, 2010, through June 30, 2023, in the amount equal to 19.7% of the total. The Foster and Foster actuarial report dated December 15, 2023, shows OCSD's share of UAAL as of June 30, 2022, to be $861,741. OCSD's liability is anticipated to be reduced due to reimbursement payments made after June 30, 2022, by the City of Arroyo Grande to Five Cities Fire Authority, reducing the total UAAL of $4,374,321 by $982,311.

At the time that the Board directed staff to prepare this Plan for Service, it was estimated that the ongoing annual cost of service including both contract cost and indirect County cost, would be approximately $1,800,000, and the annual General Fund support would be $498,783. Due to conditions included in the Plan for Service, primarily proposed lease agreements between OCSD and the County, the annual General Fund support is estimated to be $310,143.

Item 7 - Submittal of a resolution recognizing September 21st-27th, 2024 as United Against Hate Week in the County of San Luis Obispo. After the usually sappy public comments and sermons, the matter was approved.

In 2023, Governor Newsom created a new organization, the California vs. Hate Coalition, to receive complaints against hate incidents. These were reported to be growing. The effort includes a hotline to report hate as well as $91 million in grants to 173 organizations across the state "to support victims, provide resources, and facilitate anti-hate prevention measures". It is reported that the hotline received over 1,000 calls during its first year of operation.

In its inaugural report released Wednesday (May 22), California's year-old CA vs. Hate program found that anti-Hindu incidents were the second most common religion-related hate crime reported to a state-sponsored hotline in the past year.

The non-emergency hate crime reporting hotline, administered by the California Civil Rights Department with support from organizations supporting minority groups in the state, saw 1,020 reports of hate in the past year. Of those reported as anti-religious incidents, 36.9% were anti-Jewish, and 14.6% were anti-Muslim. Anti-Hindu crimes fell in between the two, at 23.3%. According to the California Department of Public Affairs, approximately 24 out of 103 crimes reported targeted Hindus, among cases where information on religious bias motivation was provided.

No data was reported in the Board write-up on hate crime trends and non-crime hate incident trends in San Luis Obispo County.

The Resolution stated in part:
WHEREAS, we support the "California vs Hate" coalition's mission to combat hate, prejudice, and intolerance such as xenophobia, anti-Semitism, sexism, homophobia, transphobia, and anti-Muslim hatred in our communities;

What about people who disagree with the Board majority and the State power structure on the issues? For example, SLO Democratic Party Chair Tom Fulks, in a recent missive exhorting the faithful to support local candidates, stated in part:

That said, we must realize the down-ballot races – at the national, state and local level right here in SLO County – are where we stop MAGA and Moms for Liberty root and branch. Their culture of menace, hate, bigotry and fear festers locally and provides energy to the overall MAGA movement that supports Trump and Project 2025.

Who does this include?

Item 11 - Request to approve the full recommended Paso Basin Cooperative Committee (PBCC) FY 2024-25 Budget. The funding was approved on a 3/2 vote, with Arnold and Peschong dissenting. There was some debate. Ominously, Supervisor Gibson alluded to the need "to reorganize the basin governance." Expect some sort of effort to consolidate the current 5-entity shared governance into some sort of new entity.
Background: At this point the leftist Board majority has delivered the bacon for the large corporate interest takeover of the Paso Basin water management issue. It is tantamount to AB 2453 (the proposed Paso basin takeover of 2014) election having been passed. Readers may remember that the residents of the Paso Basin rejected the takeover by almost 80%.

GSA	Voting / Cost Share
County of SLO	32.3%
City of Paso Robles	15.2%
Shandon-San Juan Water District	20.2%
San Miguel CSD	3.0%
Estrella-El Pomar-Creston Water District	29.3%
TOTAL	100%

Recommended PBCC Fiscal Year 2024-2025 Budget

	Budget Components	FY 23-24	FY 24-25	FY 25-26	FY 26-27
	Grant Funded Cost Components				
	Grant Funded				
1	ET Ag Water Usage Program		$ 120,000		
2	Cost of Service Rate Study		$ 150,000		
3	Address High Priority GSP Data Gaps (Expanded Monitoring Network)		$ 1,400,000		
4	MILR Program Framework		$ 380,000		
5	Well Verification/Registration Program		$ 100,000		
6	Drinking Well Impact Mitigation Program Development		$ 200,000		
7	Blended Irrigation Water Supply Program		$ 300,000		
8	SWP Feasibility Project		$ 200,000		
9	City of Paso Robles Recycled Water Distribution System - Salinas River Segment	$ 3,500,000			
10	San Miguel CSD Recycled Water Supply Project		$ 1,000,000		
	Grant Funded Total	**$ 3,500,000**	**$ 3,850,000**		

	Budget Components	FY 23-24	FY 24-25	FY 25-26	FY 26-27
	PBCC Funded Cost Components				
	SGMA-Required				
11	Annual Report WY 2024	$ 95,000	$ 100,000	$ 110,000	$ 121,000
12	GSP Fifth Year Evaluation		$ 300,000		
13	ET Ag Water Usage Program			$ 120,000	$ 120,000
14	Ongoing Basin Monitoring Operations & Maintenance		$ 75,000	$ 82,500	$ 90,750
	GSP Initiatives				
15	Outreach Program (Continued efforts including new website)		$ 75,000	$ 82,500	$ 90,750
	Administrative				
16	Develop Governance Structure (e.g. JPA, etc.)		$ 50,000		$ -
17	Executive Director and Support Staff			$ 180,000	$ 200,000
18	Legal Counsel			$ 82,500	$ 90,750
19	PBCC Administrative Costs (Insurance, Audit, Accounting, etc.)			$ 82,500	$ 90,750
20	Grant Development (2 grants)			$ 82,500	$ 90,750
21	Technical Consultant(s) (as necessary)			$ 110,000	$ 121,000
	TOTAL	**$ 95,000**	**$ 600,000**	**$ 932,500**	**$ 1,015,750**

	GSA Cost Share	FY 23-24	FY 24-25	FY 25-26	FY 26-27	GSA Cost Share %
a	County of San Luis Obispo GSA	$ 30,685	$ 193,800	$ 301,198	$ 328,087	32.3%
b	Estrella-El Pomar-Creston Water District GSA	$ 27,835	$ 175,800	$ 273,223	$ 297,615	29.3%
c	Shandon San Juan Water District GSA	$ 19,190	$ 121,200	$ 188,365	$ 205,182	20.2%
d	City of Paso Robles GSA	$ 14,440	$ 91,200	$ 141,740	$ 154,394	15.2%
e	San Miguel Community Services District GSA	$ 2,850	$ 18,000	$ 27,975	$ 30,473	3.0%

Item 33 - Submittal of the Fiscal Year 2023-24 Year-End Financial Status Report and request to approve various financial actions as detailed in Section 4 of Attachment 1 - FY 2023-24 Third Quarter Financial Report. The report was presented and was received with positive acclimation for the County staff by the Board**.**

The item actually contains a number of reports related to finances, the status of projects, position allocations, and performance measures.

ATTACHMENTS 1.

Attachment 1 - FY 2023-24 Year-End Financial Status Report
Attachment 2 - Department Memos - Relief from Accountability, Donations, and Miscellaneous Letters
Attachment 3 - Quarterly Report of Right of Way Conveyances
Attachment 4 - Fleet Selection Criteria Policy Annual Progress Report
Attachment 5 - Status Report on Capital and Maintenance Projects
Attachment 6 - Resolutions Amending the Position Allocation List (Correction) [Attachment 7]
Attachment 7 - Resolutions Amending the Position Allocation List (Reclassification)
Attachment 8 - FY 2023-24 Performance Measures (Actual Results)

As the 4th quarter version, it presents the full results of the FY 2023-24 fiscal year. Ultimately, the fiscal year ended with a higher fund balance than expected. This was largely due to a combination of higher than anticipated revenues, timing of the booking of American Rescue Program Act funds, and position vacancies in many departments.

The staff recommends that the savings be deployed per the table below.

Description	Sources	Uses
General Fund: Excess FBA	12,164,212	
General Fund: Increase COVID-19 designation		3,026,671
General Fund: Restore General Reserve		6,000,000
General Fund: Increase Governmental Fund Budgets due mid-year rate increases for Liability Self Insurance		3,012,371
General Fund: Restore Rainy Day Funds designation		125,170
Total Adjustments	**12,164,212**	**12,164,212**

Interestingly, the allocations are largely defensive, in that the $3 million for the COVID 19 designation is a hedge against future disallowed expenditures for the tens of millions in COVID slush money received by the County. Similarly, another $3 million is being used to bolster reserves for the Liability fund. What do they know that we don't? Are there some big lawsuit losses in the offing? The $6 million is allocated to the General Reserve to return it to the adopted policy level (around $40 million).

The Housing Policy Question:

Remember, a few weeks ago, we again had the discussion of the housing in lieu tax and how to provide from $2 million to $4 million in recurring local share for affordable housing for not-for-profit projects. Why not start seeding that fund with a little of these dollars? What about using $1 million to start?

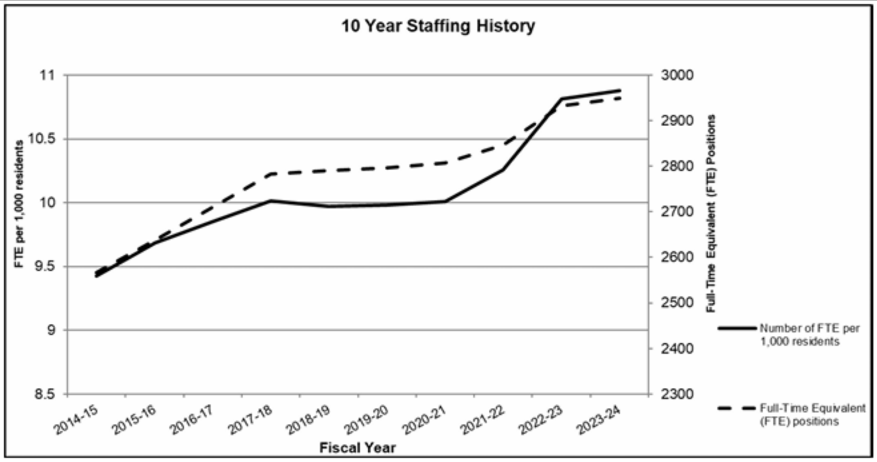
Once again, the County appears to be solvent in the near term, as long as the State and Feds are able to keep sending it more than one third of its revenue. Similarly, the rising, although volatile, stock market has kept the pension liability away from crisis. The inability to fill many County jobs has provided a cushion.

On the other hand, staffing levels continue to rise, and salary and benefit increases continue to add pressure each year. The collapse of some smaller special districts sends a warning that the County could be taking over more and more services over the years. Jail costs, psychiatric services, homelessness programs, and fire services are cost pressure leaders. Meanwhile, there is a maintenance deficit for roads, public buildings, and parks. Ideologically, State and local restrictions on home building continue to make it difficult to hire and retain critical employees. Rigid civil service and union labor rules that were developed over a half century ago limit flexibility and velocity.

What is the County's long range strategic plan?

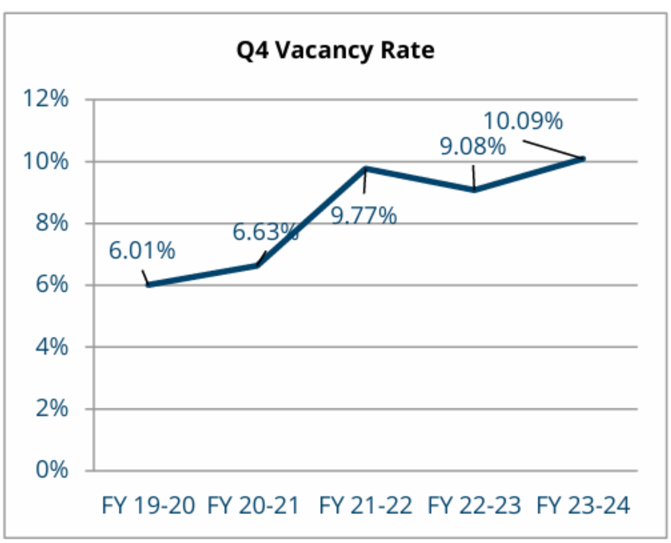
What is its long range (multi-decade) revenue plan?

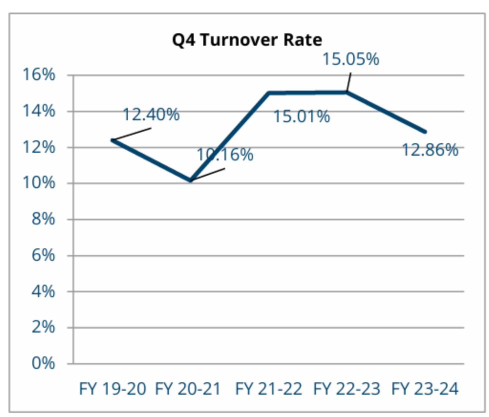
Land use is destiny for local governments. How does its overall rationing scheme impact the first 2 items above?



SUMMARY OF POSITION ALLOCATION CHANGES

FY 2023-24	Q1	Q2	Q3	Q4
Quarter Start	2,958.50	2,961.50	2,973.50	2,995.00
FTE Additions	35.75*	88.00	30.50	5.00
FTE Deletions	32.75	76.00	9.00	2.00
Quarter End	2,961.50	2,973.50	2,995.00	2,998.00**
Net Change	3.00	12.00	21.50	3.00
% Change	0.10%	0.41%	0.72%	0.10%





The full report can be seen by control clicking on the link below.

[164545 (ca.gov)]

Item 37 - It is recommended that the Board receive and file the 2023 Annual Agricultural Statistics for San Luis Obispo County and provide direction as deemed necessary. This was a good report that demonstrates the resilience and importance of agriculture in SLO County. In addition to the crop values listed in the report, there are more billions in economic multipliers when the suppliers, machinery, support jobs, technical jobs, trucking, irrigation, and other components are considered.

There was some feedback that things aren't as rosy as portrayed, in that although sales are up, profits are down for various commodities, particularly wine grapes, a crop that has saturated the market.

Crop values for San Luis Obispo County reached another record high in 2023, as overall farmgate value edged past $1.1 billion for the first time. Despite significant storm related damage early in the year, crops thrived under ideal growing conditions that led to strong yields across multiple crop sectors.

After four years of strawberries being the county's most valuable crop, winegrapes moved back into the top slot based on excellent growing conditions and steady prices. Combined, winegrapes and strawberries continue to account for more than half of the county's overall crop value, while the county's diverse geography and microclimates continue to support an incredibly wide variety of other crops.

Top Ten Value Crops

Crop	Value
Wine Grapes	$323,952,000
Strawberries	$274,072,000
Cattle and Calves	$68,646,000
Broccoli	$36,184,000
Avocados	$34,202,000
Vegetable & Ornamental Transplants	$33,543,000
Brussels Sprouts	$24,604,000
Cauliflower	$20,603,000
Cut Flowers	$19,067,000
Celery	$16,172,000

Agriculture employs a total of almost 5,000, collectively. Since the individual units are relatively small, they do not appear in the table below. However, by way of perspective, it is quite important. Note that hospital corporations may be the County's only remaining large private sector employers.

County of San Luis Obispo
Principal Employers
Current Year and Ten Years Ago
(UNAUDITED)

	2023 [2, 3]			2014 [1]		
Employer	Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
California Polytechnic State University	3,143	1	2.25%	2,573	2	1.81%
County of San Luis Obispo	2,932	2	2.10%	2,800	1	1.97%
Department of State Hospitals - Atascadero	2,000	3	1.43%	2,300	3	1.62%
Lucia Mar Unified School District	1,573	4	1.13%	1,000	7	0.71%
California Men's Colony	1,517	5	1.09%	2,000	4	1.41%
Tenet Health Central Coast	1,425	6	1.02%	1,200	6	0.85%
San Luis Coastal Unified School District	1,388	7	0.99%	902	10	0.64%
Paso Robles Joint Unified School District	1,262	8	0.90%	935	8	0.66%
Compass Health	1,200	9	0.86%	-	-	-
Cuesta College	892	10	0.64%	-	-	-
Pacific Gas and Electric Company	-	-	-	1,700	5	1.20%
Cal Poly Corporation	-	-	-	906	9	0.64%
Total Employment Labor Force [4]	139,800			141,800		

MATTERS AFTER 1:30 PM

Item 39 - Request to 1) authorize the conversion of the County Bikeways Plan into a comprehensive Active Transportation Plan (ATP) for County maintained roads in coordination with the San Luis Obispo Council of Governments Regional Active Transportation Plan; 2) direct staff to pursue grant funding opportunities to fund the conversion effort, and return to the Board to apply for such grants; and 3) upon securing project funding, direct staff to return to the Board with a recommendation for restructuring the Bicycle Advisory Committee to advise on the conversion to an ATP. (Public Works) (5). The authorization to begin the Plan was approved 3/2, with Arnold dissenting and Peschong recused. The Staff stated that the County would be eligible for more State transportation grants by developing a Regional Active Transportation Plan.

Such plans have been adopted by a few jurisdictions, and others are working on them. These actions favor pushing people out of cars, stack-and-pack housing, submission to a variety of carbon reducing regulations, and mobility restrictions.

This item is simply a ploy to work around the County’s adopted Parks and Recreation Plan element that forbids the use of eminent domain to acquire trails. The County would simply incorporate bike trails into its transportation plan as an alternate means of commuting. They would no longer be purely recreational. This would then theoretically allow the Board to vote for the property condemnation necessary to complete the Bob Jones “bike” trail with a 2/3 rather than 4/5 vote. The bike community supports this one.

Of course, if bike trails are alternate transportation modes for communing, should people have to pay a fee to commute on them, like the bus, train, rideshare, etc.?

Item 42 - Any Supervisor may ask a question for clarification, make an announcement, or report briefly on his or her activities. In addition, Supervisors may request staff to report back to the Board at a subsequent meeting concerning any matter or may request that staff place a matter of business on a future agenda. Any request to place a matter of business for

consideration on a future agenda requires the majority vote of the Board. Supervisor Peschong proposed that an item be brought back to the Board endorsing Proposition 36 to put the Board on a firm support position. The idea action was approved. Supervisor Gibson stated that he would oppose it when it came back. Proposition 36 would reform some of the disaster caused by Proposition 47, which made it easier and more lucrative to commit store robberies and other offences.

Added Item 43 - Adding Consent Item #43. Request to accept the first update regarding, and confirm the need to continue, the emergency actions to repair the Nacimiento Water Pipeline at the Yerba Buena Creek crossing in accordance with Public Contract Code Section 20134 and 22050, by a 4/5 vote. The leaks continue and are worse than first suspected. As one "analyst" pointed out 2 weeks ago, they could just let it leak and continue to recharge the Paso Basin. After all, the City of San Luis Obispo uses Paso Basin water. It should help recharge the Basin.

Whitaker excavated to the east and west side of the casing pipe and inserted a camera into the pipeline to find the leak location. A 2-inch leak was discovered on the top of the 18-inch ductile iron pipe approximately 9 feet into the casing. Whitaker cut the steel casing and ductile iron pipe and removed them from the shored excavation. The District discovered that the leak was caused by corrosion and that there was evidence of significant corrosion pitting along the entire 9 foot long pipe section that was removed. Since the damage was caused by corrosion, the District hired a corrosion consultant to inspect the damaged section and existing piping east and west of the damaged section. The corrosion expert determined that the undercrossing and pipe east and west of the undercrossing are installed in a corrosive environment and that protecting the undercrossing and surrounding pipe is needed to prevent further corrosion and prevent future catastrophic failures due to corrosion. The corrosion expert also identified a second advanced corrosion spot of the damaged section that was very close to failure. Since the pipe is installed in a corrosive environment, it will continue to corrode until additional protection is installed. Delay of the repair and corrosion protection will result in additional damage to the NWP pipeline.

Implementation of the emergency repairs are ongoing, and the final cost of the repair is unknown. Costs to date are estimated to be $250,000 including contractor and District staff. It is anticipated that the remaining repair may cost an additional $450,000, making the total emergency project costs in the range of $700,000.

SLO County Planning Commission Meeting of Thursday, September 26, 2024 (Completed)

The agenda was light, consisting of permit requests for 4 wireless towers in various rural parts of the County. The Towers are 50 ft. tall and are disguised as traditional farm water towers. Why are water towers OK, but cell towers have to be camouflaged? Is society becoming fed up with modernism?

EMERGENT ISSUES

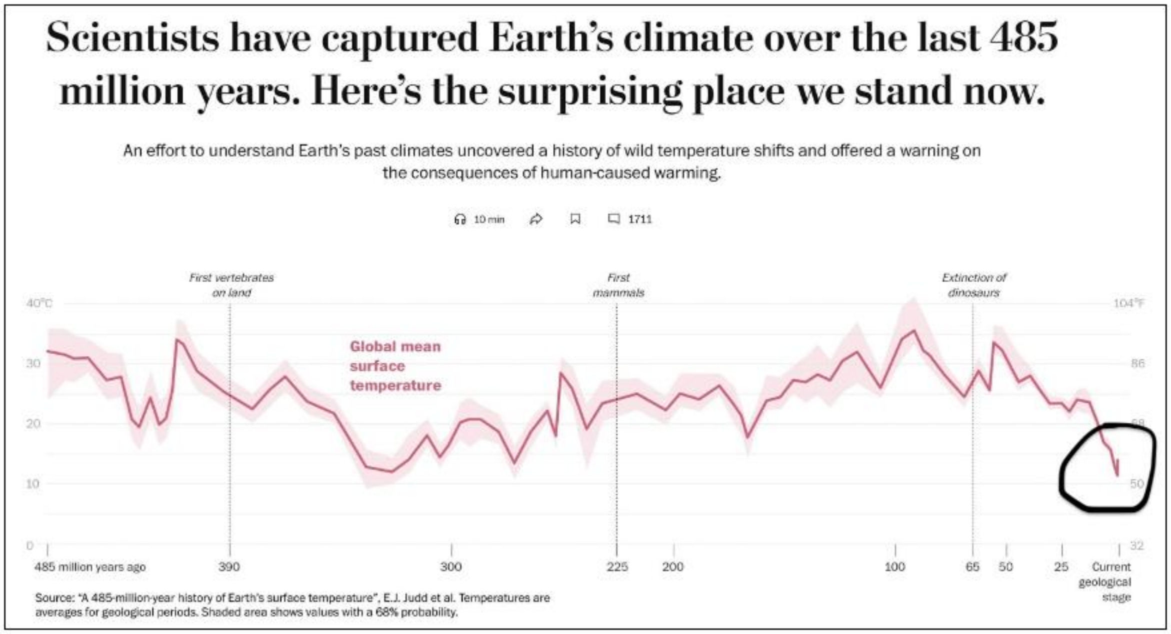
Item 1-Climate Confusion - September 23, 2024 By Steven Hayward in Climate, The Daily Chart

THE DAILY CHART: CLIMATE CONFUSION

The *Washington Post* has published a possibly major story about how climate scientists have recreated the earth's temperature record for the last 485 million years. Paleoclimatology, as it is called, is based on a wide range of ingenious "proxy" measures (fossil records, ice core samples, geology, astrophysics, etc.) to estimate temperatures in the distant past up to the present.
How solid are these measurements? I have no idea, and I expect they will be endlessly revised for decades to come, just as there has been considerable controversy over the temperature reconstructions of the last 200 years, where we have much more data to go on (like tree rings). This is largely what the 2009 "climategate" scandal was about.

In any case, take a close look at the chart the *Post* produced, and tell us what you see. A controversy has broken out about what it means, because if it is accurate, it shows that the earth is currently near its lowest temperature for the last 485 million years, until we stopped cooling and started warming recently. Is it a bad thing that we stopped cooling? You can find serious scientists who conclude that a modest warming is a net benefit to the planet (and the IPCC kinda sorta admits this in corners of its behemoth reports).

But the thermegaddonites point to the sharp reversal in the right tail (circled) to suggest that this fully man-made (it is assumed) recent warming is a catastrophe for which we must all give up our cars and start eating bugs. Yet you can also make out several other sharp reversals and warmings when there were no SUVs on the road.



Item 2 - Gov. Newsom signs new laws cracking down on oil industry in California

In the latest setback for the oil industry in California, Gov. Gavin Newsom on Wednesday signed a new law that allows cities, counties, and local voters to block construction of new oil and gas wells in their communities.

The bill, AB 3233, by Assemblywoman Dawn Addis, D-Monterey, which the industry staunchly opposed, overturns a state Supreme Court ruling from last fall. In that case, the justices ruled in favor of Chevron and nullified a ballot measure that Monterey County voters passed in 2016 to ban new oil and gas wells there over pollution concerns, saying that state regulations took precedent.

Environmental groups pushed hard for the new law, which could affect a broad range of communities that have passed local oil drilling restrictions over the past decade, from Antioch and Brentwood in Contra Costa County to Santa Cruz County to the city of Los Angeles.

Newsom, who called a special session of the Legislature this month to address gas prices, was sharply critical Wednesday of oil companies, an industry that he has increasingly clashed with in recent years over pollution and climate change.

"They are the polluted heart of this climate crisis," Newsom said. "They have been lying and deceiving us for decades and decades. It is finally time to hold big oil accountable."

Earlier this month, a Los Angeles County judge, citing the state Supreme Court ruling, struck down an ordinance passed unanimously in 2022 by the Los Angeles City Council that barred new oil and gas extraction and required that all existing operations in the city limits to stop production within 20 years.

Newsom also signed two other bills Wednesday tightening rules on the oil industry.

They are AB 1866, by Assemblyman Gregg Hart (D-Santa Barbara), which increases oil industry requirements to plug and clean up idle oil and gas wells. There are nearly 40,000 idle oil and gas wells in California. Of those, an estimated 5,300 are "orphan wells" where the original drillers have gone out of business or filed bankruptcy and taxpayers are left to pay cleanup costs of millions of dollars.

"We will hold the oil industry accountable for their pollution and their public health impacts," Hart said Wednesday.

The other bill Newsom signed was AB 2716, by Assemblyman Isaac Bryan (D-Los Angeles), which prohibits the operation of low-production oil and gas wells in the Inglewood Oil Field oil field within the Baldwin Hills Conservancy in Los Angeles County. The area, which has an estimated 441 such oil wells, sits next to a state park, soccer fields, and other public facilities used by children.

Opponents, led by the Western States Petroleum Association, an influential industry trade group whose members include Chevron, ExxonMobil, Shell and Valero, say the bills went too far.

In a statement last month, the association said the bills would "impose impractical limits on oil and gas operations, creating a fragmented system." It also noted that California imports roughly 75% of the oil it consumes.

"This reliance on imported oil not only drives up fuel prices for consumers but also compromises our environmental goals by bypassing California's strict standards," the association said.

Asked Wednesday by reporters if the new laws would increase California's gasoline prices, Newsom said no. He argued that the oil industry has been gouging motorists for years, citing the fact that prices have been increasing recently even as world crude oil prices are falling.

A key part of his special session would require refineries to keep larger supplies of gasoline on hand, to reduce price spikes when there are refinery outages or maintenance issues. The industry and the governors of neighboring Arizona and Nevada have said the rule could further increase prices.

Environmental groups praised the new bills Wednesday.

“The oil industry used threats and intimidation to try to kill vital local protections from industry pollution, said Hollin Kretzmann, an attorney with the Center for Biological Diversity in Oakland. “We finally have the assurances under state law that local governments can, and always could, restrict oil and gas to protect communities and the climate.”

Many of the state’s oil fields are located near low-income communities. Pollution from them has significant impacts on nearby residents, particularly children, who have high levels of asthma and other ailments.

“We see our kids, they are missing school. Parents are not going to work because someone needs to take care of them,” said Dr. Ilan Shapiro, a pediatrician with AltaMed Health Services, a medical network in Los Angeles.

“Our communities are living in places where the environment is leaving a scar for the rest of their lives,” he added. “We have in our hands the opportunity to make a difference.”

In recent years, Newsom has been steadily cracking down on Big Oil as part of the state’s efforts to reduce air pollution and greenhouse gas emissions.

Four years ago, he signed a landmark executive order requiring all new passenger vehicles sold in California by 2035 to be zero-emission.

Two years ago, he signed another law requiring all of California’s electricity by 2045 to come from carbon-free sources such as solar, wind, geothermal, hydroelectric or nuclear. Today the state is at 61%.

Newsom also signed a law in 2022 that blocked new oil and gas wells statewide within 3,200 feet of homes, schools and parks. The oil industry had planned to put a measure on the November ballot to overturn it but pulled it this summer, reportedly amid polling that showed it would fail.

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 Story by Paul Rogers, The Mercury News
September 25, 2024

Item 3 - What Do Californians Owe the Homeless? By: Lee Ohanian

With its number of homeless people nearly doubling over the last year, the city of Norwalk, California, enacted a forty-five-day moratorium on the construction of homeless shelters, transitional housing, and permanent supportive housing. When this forty-five-day moratorium expired last week, the city extended it by ten months despite legal threats from Gov. Gavin Newsom and state Attorney General Rob Bonta. Norwalk’s city council approved the extended moratorium unanimously to assess the impact of rising homelessness on the city's quality of life, safety, and public health.

Norwalk is a relatively poor city, generating less than 60 percent of the tax revenue per resident than its neighbor, Los Angeles. And it spends substantial amounts on its homeless population. Over the last five years, the state has provided nearly $29 million in funding for homeless programs in Norwalk, which works out to roughly $30,000 per homeless person annually. And like nearly everywhere else in California, homelessness has increased.

Norwalk's conundrum raises the question that is the elephant in the room of California state and local government budgets: Just what do Californians owe the homeless? Here is a simple way of addressing this question, which will clarify why California homelessness continues to grow despite enormous state and local spending.

Consider homelessness as part of the state's social safety net. A safety net is society's mechanism of providing insurance to its members against risks that are largely uninsurable from private markets. For example, governments typically don't offer auto insurance, life insurance, or business insurance, because these are widely available from private insurers. But governments do offer unemployment insurance, because job loss is a significant event that individuals wish to insure against but which is not available privately.

Creating a functional safety net requires choosing which events will be covered and what the budget will be. Importantly, it includes incentivizing individuals so they do not abuse the system. Unemployment insurance does all of this: it is available only to those who lost their job through no fault of their own, it only partially replaces earnings and just for a limited period, and it requires that individuals search for a job while unemployed.

California's homelessness safety net contrasts sharply with how unemployment insurance is structured. The budget for homelessness is de facto open-ended, as are the events that lead to homelessness and that are expected to be paid for by taxpayers. This open-ended approach was highlighted in Governor Newsom's 2020 "whatever it takes" State of the State speech: "We must do everything we can to ensure no Californian is homeless … We will reduce street homelessness quickly and humanely through emergency actions. We will provide stable funding to get sustainable results. And we will do all of this with real accountability and consequences."

Newsom's approach, which eschews all functional requirements of a reasonable safety net, is why California's homelessness continues to rise. Between 2019 and early 2024, the state spent about $24 billion on homelessness, but homelessness rose 23 percent, from about 151,000 in 2019 to about 186,000 in 2024. And with an open-ended budget, with little to no accountability over spending, and by expecting taxpayers to be responsible for housing all who are homeless, there is no way I see California ever succeeding in dealing with this issue.

A huge budget—$24 billion over five years—and no accountability is a bad combination. The numbers speak for themselves. In those five years, the state has spent the equivalent of about

$160,000 per homeless person (based on 2019 numbers). And somehow, homelessness worsened. The lack of accountability and failed execution has been egregious. The state auditor summarized the state's performance as follows:
"(The state) has also not aligned its action plan to end homelessness with its statutory goals to collect financial information and ensure accountability and results. Thus, it lacks assurance that the actions it takes will effectively enable it to achieve those goals. Another significant gap in the State's ability to assess programs' effectiveness is that it does not have a consistent method for gathering information on the costs and outcomes for individual programs."

If you are wondering where the money went, join the club. No one really knows, because standard accounting practices apparently weren't followed—for five years, in an organization spending about $5 billion per year. And what is particularly striking is that these deficiencies follow an audit that highlighted similar problems just three years ago.

Who is to blame? Newsom was quick to blame local governments, but local government reporting is directed by the state government, and the auditor's report was highly critical of Newsom's Interagency Council on Homelessness, which is the department that coordinates these programs—and which was singled out for its ineffective leadership three years earlier.
Another reason why California's homeless programs fail is the view that taxpayers are implicitly responsible for housing all who are homeless and all who will become homeless in the future. But no reasonable insurance plan covers all possible contingencies. For example, unemployment insurance doesn't cover job loss if the worker was fired because they didn't perform their job duties adequately. And while the homeless safety net should cover events such as physical and mental disabilities, it should not cover those who become homeless because they cannot manage their household budget.

For example, about 30 percent of California renters pay 50 percent or more of their pre-tax household income in rent. The standard maximum amount is 30 percent of pre-tax income for rent, which suggests these renters are severely overextended.
With 44 percent of California households renting, and with 13.7 million California households, there are as many as 1.8 million California households on the precipice of being unable to afford housing. Even if just 1 percent of this group loses housing annually, then 18,000 households—approximately 30,000 individuals—will become newly homeless each year.

California's homeless programs also fail because they follow the principles of *harm reduction* policies and *housing first* policies. *Harm reduction* means that substance abuse should be tolerated by everyone else and that the homeless should not be required or expected to become sober if they have such an issue. *Housing first* means that California should build permanent housing for the homeless, even if they do have severe substance abuse or mental health issues and are unwilling to receive treatment. If local governments require the homeless to receive treatment, they will lose state funding.

It is noteworthy that the auditor's report did not study the cost of building new supportive housing for the homeless, which can cost over $1 million per apartment unit. Why do these units cost so much? Again, no one knows. If 50,000 more housing units for the homeless were built at this price point, it would cost about $50 billion. And this wouldn't even house half of California's current homeless population.

Viewing homelessness as part of the social safety net means that taxpayers cannot be expected to fund an open-ended set of programs with no sensible budget, with no requirements that those struggling with substance abuse and mental health issues receive treatment, with no accountability, and with a requirement that every contingency resulting in homelessness should be covered. There is simply no sensible conclusion other than that California's flawed homelessness policies have created an expensive and massive public policy failure.

What should be done? Define a reasonable set of contingencies that will be covered. Require those living on the streets with substance abuse and mental health disorders to receive treatment with the goal of becoming self-sufficient and stable. Provide shelters with treatment in low-cost locations, not $1 million apartment units. And lever the cost efficiencies of manufactured housing, which is built at more than a 50 percent cost savings per square foot over traditionally built homes, and create that housing in areas with low land values. This would substantially reduce the risk of low-income households paying rent beyond their means.

In February 2020, Newsom stated, "The public has lost patience, you have all lost patience, and so have I." That was over four years ago—before the homeless rolls grew by 35,000 and before the state spent over $20 billion and couldn't keep track of it. The record is clear. And without a sea change in our homelessness policies, we will see more of the same.

Lee E. Ohanian is a senior fellow (adjunct) at the Hoover Institution and a professor of economics and director of the Ettinger Family Program in Macroeconomic Research at the University of California, Los Angeles (UCLA).

He is associate director of the Center for the Advanced Study in Economic Efficiency at Arizona State University and a research associate at the National Bureau of Economic Research, where he codirects the research initiative Macroeconomics across Time and Space. He is also a fellow in the Society for the Advancement of Economic Theory. September 25, 2024 Hoover Daily Report.

Item 4 - Newsom's ABX2-1 Will Artificially Create a Fuel Shortage Crisis by Limiting Distribution of Fuel

'*Artificial gas shortages, playing politics with fuel, negligence' – Newsom admin driving oil industry to extinction*

By Katy Grimes, September 27, 2024

Why is gas more than $5 gallon in California and not across the country if "Big Oil" is so greedy?

California Governor Gavin Newsom called for a special legislative session after accusing California's oil refineries of price gouging. The governor claimed that "Gas price spikes on

consumers are profit spikes for oil companies, and they're overwhelmingly caused by refiners not backfilling supplies when they go down for maintenance."
"Why would the people serving the people of California do something that would benefit the people of California?" a Capitol friend asked after the Petroleum & Gasoline Supply Committee passed Gov. Gavin Newsom's ABX2 to impose new mandates for oil storage requirements on oil refineries in California.

The hearing was held right after Thursday's press conference by California Fuels and Convenience Alliance, small businesses, and small family-owned businesses opposing Governor Newsom's attempt to control fuel pricing.

"Last week, under the demand of Governor Newsom, the California State Assembly began their special session on fuel and energy costs, discussing ABX2-1 (formerly known as SB 950)," the CFCA said. "This bill under review will give the California Energy Commission (CEC) more authority to impose new mandates for oil storage requirements on oil refineries in California."

John Kabatek, California State Director, National Federation of Independent Business. (Photo: Katy Grimes for California Globe)
"California is on the verge of an energy crisis with the push for electrification by 2035," said John Kabatek, California State Director, National Federation of Independent Business. "The regulation requirements in ABX2-1 will artificially create a fuel shortage crisis due to limiting the distribution of fuel."

"This will unavoidably increase the demand, causing prices to increase."

Indeed.

As the Globe recently reported:
Gov. Gavin Newsom's California Energy Commission regulators announced earlier this month proposed government controls of the petroleum industry, ostensibly in order to combat future energy price surges. This followed Chevron Oil company's announcement that it will be moving its headquarters to Houston Texas from San Ramon California.

As the California Legislature was wrapping up its 2023-2024 session at the end of August, Gov. Newsom threatened to call a special session if lawmakers didn't pass his Venezuela-Like price controls proposal of the oil and gas industry.
According to Newsom, who is sounding more like Hugo Chavez:

"The state has found that, when refiners limit gasoline supplies, prices spike at the pump and create massive profits for Big Oil. Today, Governor Gavin Newsom announced a new, first-in-the-nation proposal to further prevent price spikes and save Californians money.

Newsom's proposal would authorize the California Energy Commission (CEC) to require that petroleum refiners maintain a minimum fuel reserve to avoid supply shortages that create higher prices for consumers. If this proposal had been in effect in 2023, Californians would've saved upwards of $650 million in gas costs due to refiners' price spikes."
No mention in Newsom's proposal of California's highest-in-the-nation gas taxes…

As Ed Ring reported for the Globe this week:
…much of the high price for gasoline in California is caused by higher taxes. In July 2024, when the average price per gallon in California was $4.49, state taxes, fees, and programs added $1.23 to the price, along with another $0.18 of federal excise tax. The cost of crude oil added $2.04 and "industry costs and profits" added $1.04. Included in that last number are not only refinery operating costs, but also distribution and marketing costs.
California's state government collects corporate income tax on oil company profits, which adds to the $1.23 they collect in direct taxes and fees on a gallon of gas. So one may ask, since our governor is so concerned about California's consumers getting gouged at the pump, why the amount the state collects on every gallon of gasoline is grossly in excess of not only industry profits (before taxes), but profits plus total operating costs. Who, then, is gouging who?

As the Globe has asked repeatedly, "If the 'Big Oil' companies are so greedy, why are they only greedy in California and not greedy in every state?"

NFIB's Kabatek brought the receipts:

- ABX2-1 prioritizes fuel supply over worker and community safety by delaying necessary maintenance.
- This bill requires CEC approval before crucial refinery turnarounds, potentially endangering workers and nearby residents by making safety a secondary concern.
- Concerns go beyond the small business owners at the end of the oil industry supply chain.
- The family-owned fuel and convenience stores that CFCA represent will be impacted first, specifically the unbranded smaller locations.
- Every business owner that relies on product and services being delivered through a consistent supply chain will feel the added weight of increased costs.
- Lastly, the bill fails to address California's unique summer and winter gasoline blend requirements, potentially resulting in unusable reserves during periods of high demand.

How are the refineries expected to hold back a supply of our unique blend for our state, supply 90 percent of Nevada's oil, and nearly 50 percent of Arizona's, all while keeping the price of fuel at an affordable dollar per gallon? Kabatek asked.

As the Globe reported last week, "Arizona gets nearly half of its gas from California. The vast majority of Nevada's gas – 88% – comes from California."

“The governors of Arizona and California co-signed a letter last week to California Gov. Gavin Newsom urging him to back off of his legislation to add new regulations on the state’s refiners. They say forced supply shortages will result in higher gas costs in the three Western states.”

“Arizona and Nevada will suffer with us,” said Alessandra Magnasco, Governmental Affairs and Regulatory Director, California Fuels and Convenience Alliance.

Johnnise Foster-Downs, Vice President of Public Policy, California Asian Pacific Chamber of Commerce. (Photo: Katy Grimes for California Globe)

“ABX2 does nothing but disrupt the supply chain for businesses relying on deliveries of goods and services,” said Johnnise Foster-Downs, Vice President of Public Policy, California Asian Pacific Chamber of Commerce. She said the Legislature be promoting ways to assist minority-owned businesses, and not be left to deal with the fallout.
Julian Canete, CEO, California Hispanic Chambers of Commerce said they represent 850,000 hispanic-owned businesses.

Newsom’s Venezuela-like state proposal would:

1. Obligate California’s petroleum refiners to demonstrate resupply plans and arrangements to the CEC that are adequate to address the loss in production from refinery maintenance.
2. Authorize the CEC to require petroleum refiners to maintain enough fuel inventory to stabilize fuel supply.
3. Impose penalties on refiners who fail to follow these requirements.

The Globe reported in August the California Energy Commission proposal of Government control of the petroleum industry:

“The State of California would purchase and own refineries in the State to manage the supply and price of gasoline,” wrote the study’s authors, with the scope of the initiative ranging from “one refinery to all refineries in the state.”

"Small business thrives when the supply chain is stable," Kabatek said. That is true, which makes many question if Gov. Newsom is actually trying to destroy California's small businesses.

"Let's be sensical and realistic with a pathway to lowering fuel and energy prices," Kabatek said, wrapping up the press conference. There is no need to fast-track market disrupting regulation that we will all be paying for down the road."

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?

COLAB IN DEPTH

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

THE CORRUPT ECONOMICS OF IMMIGRATION

That California politicians like Kamala Harris have succeeded in selling open borders to the American people as necessary to solve the twin crises of "climate" and "equity" is a con job for the ages.

BY EDWARD RING

The common refrain among supporters of the Democratic Party's open borders policy is that immigration helps the economy. A very recent example of this was published in *MSNBC Daily* last month, where the author, David Bier of the Cato Institute, claims that "The Congressional Budget Office finds that the surge will boost the economy by $7 trillion and reduce the federal debt by nearly $1 trillion by 2034." That's actually an unimpressive statistic since the cumulative GDP of the United States over the next decade will easily exceed $300 trillion, but Bier is probably not wrong in his assertion that immigration increases GDP.

So what?

What Bier and most libertarians fail to emphasize in their analysis is not merely the quantity of economic growth caused by immigration but the quality of that growth. We should not be surprised. Adhering to orthodox dogma at the expense of real-world consequences is just another trait libertarians share with socialists, who are their equally doctrinaire, equally out of touch supposed ideological antagonists.

For example, libertarians support free trade without recognizing that it is impossible for our manufacturers to compete against subsidized imports, manufactured in the absence of environmental and labor standards applicable in the United States. Libertarians support the abolition of residential zoning laws while doing nothing to stop the proliferating array of subsidies and tax incentives that artificially incentivize developers to demolish homes to build apartments. And libertarians only tepidly challenge urban containment policies that prevent new suburb developments on open land outside of existing cities. In what is perhaps some odd bid to find common ground with socialists, they have even claimed the infrastructure needed for urban expansion would "subsidize the car."

When it comes to immigration, libertarians call for open borders without first insisting on a critical prerequisite: immigrants should not receive government subsidies or special benefits. They should be able to support themselves immediately through private employment. Immigration to America today, unlike any previous waves of immigration, offers new arrivals an array of taxpayer-funded benefits that often exceed what is available to the average American citizen. This creates incentives for mass migration that would not otherwise exist. But in the attempt to assess how immigration affects the health of the American economy, this is merely surface phenomena.

The economic process playing out across the U.S. in cities like Springfield, Ohio, has attracted an ecosystem of government contractors, tax-sheltered NGOs, and public agencies that is remarkably similar to what has been dubbed the Homeless Industrial Complex. In both cases, there is an incentive on the part of these multi-billion dollar players, protected by government regulations and snarfing down government subsidies, to make the cost of living unaffordable for America's working families. California is ground zero for this corruption.

When people decry California's inability to come up with an alternative to a homeless population that has now risen to an estimated 186,000, the highest ever, they have to understand that the root cause is a corrupt alliance between government and politically connected corporations. Critics of California's failing homeless policies must understand that the growth of state regulations on home construction, excessive local permit fees, protracted and capricious building approval processes, myriad obstructionist government agencies at all levels, the failure to maintain or expand enabling infrastructure, and the near total ban on urban expansion have made it impossible for unsubsidized developers to build affordable homes. Voila, the "affordable housing" industry was born—a corrupt, obscenely expensive, entirely unnecessary invention.

The most visible symptom of this deeper problem is California's 186,000 homeless, who ought to all be offered beds in group shelters. These facilities could be built for a fraction of the $24 billion of taxpayers' dollars that California has spent just between 2019 and 2023 on "permanent supportive housing," which, at over $500,000 per unit, hasn't made a dent in the homeless population. But solving the problem would put an end to the scam.

There is a parallel corruption informing America's immigration policy. The equilibrium between working-class household income and the cost of homes and rental housing remains almost manageable in most of America, even though that is changing fast. And the reason for the change is the policies that began in California, which are now rolling their way across the country. Restrictions on growth, excessive regulations, and increasingly elaborate building codes are increasing the cost of building homes. More government agencies to oversee the expanded regulatory environment are causing permit fees to go up.

Also going up—way up—are the "impact fees," which transfer the burden of paying for new roads and other infrastructure from the cities and states to the homebuilders who have to pass those costs on to the home buyers. Connector roads, parks, schools, and utility conduits used to be funded out of government budgets. Now those funds are instead allocated to personnel costs, thanks to the growing power of government unions, who unironically demand more pay and benefits so the government workers can exempt themselves from the cost of living increases they play a large part in causing. And all of these regulations are justified in the name of protecting the planet.

Exacerbating this trend, whereby large corporations, hedge funds, NGOs, and government agencies expand and thrive as the cost of living is systematically put out of reach for more and more American families, is immigration. Dumping millions of people into the nation makes America's housing shortage worse, driving prices up even more. Crippling, stifling regulations prevent the market from responding at a scale anywhere close to what is required to restore affordability.

This is the corrupt economics of immigration in America today. And it gets worse. Since working American families can no longer afford to purchase or rent a home, neither can unskilled immigrants from destitute nations. But when they come into a town and start to work, the system gears up to subsidize their expenses. The companies where they take jobs are now part of the corrupt scheme. They lower wages, knowing they now have a workforce that receives government-subsidized housing, healthcare, and food assistance. Meanwhile, the American workers who are displaced, along with everyone living in the town whether or not they are employed, have to deal with a housing market that has suddenly become more costly. Complicit, often remote landlords raise rents and favor the immigrants from whom they are guaranteed all or a portion of their rent collections by the government.

Immigration into a welfare state, where housing development is crippled by excessive regulations, is not happening by accident. This is a corrupt scheme that confers advantages to a powerful coalition of players—investors, corporations, developers, NGOs, government agencies, and environmentalists. It appeases socialists by virtue of the central role of government regulations and subsidies.

Libertarians, on the other hand, ought to know better. Half a solution is worse than no solution at all. Open borders are only possible when there is no welfare state awaiting new arrivals. More to the point, the underlying economics that surrounds immigration reflect a corrupt system that libertarians fail to acknowledge, much less fight with everything they've got. It is a massive transfer of wealth upwards from America's lower-income and middle-class communities into the hands of an oligarchy. This is not a healthy version of capitalism.

This is also not healthy economic growth. That California politicians like Kamala Harris have succeeded in selling this betrayal to the American people as necessary to solve the twin crises of "climate" and "equity" is a con job for the ages.

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 September 25, 2024.

EDUCATION FOR FREEDOM, NOT DEI

THE DIRE URGENCY FOR ACCESS TO ALTERNATIVE IDEAS

BY BRUCE THORNTON

Two Supreme Court decisions in 2023 struck down the use of race-based admission to colleges and universities, and proscribed various proxies for race like admission essays. But just a year out, the Wall Street Journal reports, "The group Students for Fair Admissions (SFFA)," who represented the Asian-American applicants before the court, "suspects this [violation of the rules] about Yale, Princeton and Duke universities, and on Tuesday it asked the schools for information on how they chose the current freshmen who will graduate in the class of 2028."

Having spent more than 50 years of my life in universities, I've had a front-row seat for observing how universities over the years have juked their admission criteria to make sure they admitted enough "protected classes," which means anybody except white males. In my university, for example, even after California in 1996 passed Proposition 209, which forbade the explicit use of race, the admissions and hiring process still comprised numerous opportunities for evaluators to discern the applicant's race.

The former "Affirmative Action Officer," for example, required the hiring committee to document each member's sex and race, as well as the applicants'. After Prop 209, the university didn't observe the law, but merely changed the title to the "EEOC Officer," who still gathered the same data that were inappropriate if the process was truly merit-based, while reminding everybody that the federal agency Big Brother was watching.

So those experiences made me skeptical when "Chief Justice John Roberts wrote for the 6-3 majority that students must be admitted 'based on his or her experiences as an individual—not on the basis of race' and that 'what cannot be done directly cannot be done indirectly.'"

But the really damaging idea connected to affirmative action came from an earlier Supreme Court decision and still remains today. Despite the blatant violation of the Constitution's 14th Amendment and the Civil Rights Act, these race-based policies were given the Supreme Court's imprimatur in its 1978 Bakke decision. The court didn't, as it should have, proscribe preferences based on race, but just numerical quotas, which were easily circumvented to reach the same end—choosing by race rather than merit.

Worse, the decision legitimized a simplistic concept of "diversity" that assumed superficial race-based differences provided educational benefits to all students. But this definition of "diversity" hearkened back to the days of "scientific racism" that reduced unique individuals to skin color or other physical attributes typical of millions of people across the world.

Moreover, it made victimhood the most important characteristic of black people, since even affluent well-educated blacks are still categorized as a "protected class" of victims to be compensated with set-asides, subsidies, and other goods provided by the government. This insulting idea——as the African proverb has it, "The hand that gives is always above the hand that receives" — is a variation of the old racist slur that all black people "look alike" or "think alike” or “believe alike.” All these are preposterous slurs reduce black identity and humanity to a dehumanizing stereotype.

Moreover, this reductive “diversity” was created in the wake of the Civil Rights Act to serve partisan factional interests by identifying which political clients received set-asides in government contracting, and later in university admissions and state and federal hiring.

As David E. Bernstein writes in Classified: The Untold Story of Racial Classification in America,

“Modern America’s racial and ethnic classifications do not reflect biology, genetics, or any other biological source. Classifications such as Hispanic, Asian American, and white combine extremely internally diverse groups in terms of appearance, culture, religion, and more under a single, arbitrary heading. The government developed its classification scheme via a combination of amateur anthropology and sociology, interest group lobbying, incompetence, inertia, lack of public oversight, and happenstance.”

The problem with reducing identity to such crude categories like race, is that true legitimate identity includes ethnicities, nations, regions, religions, customs, cultures, mores, cuisines, folkways, languages, dialects, accents, traditions, and histories. As David Hackett Fischer documents in Albion’s Seed, if one takes into account these and many other differences among the early settlers of the future United State, our country was and remains one of the most diverse on the planet. But racialist propaganda like “white privilege,” “systemic racism,” and “white fragility” reduces those early Americans to their skin color, the better to demonize our country as a global villain responsible for all of history’s miseries and injustices.

The Bakke decision injected this toxin of “diversity” into the body politic, which over the following 46 years has mutated into today’s Diversity, Equity, and Inclusion metrics. These promote policies that judge and evaluate people on the “color of their skin,” not, to paraphrase Martin Luther King, on the “content of their character,” talents, achievements, ethics, actions, habits, and virtues. And this toxin has spread not just to education, but to every dimension of our society from Wall Street to Hollywood—and more dangerously, to the training of professionals such as doctors and airline pilots.

This functionally racist set of attitudes is just one of the many dysfunctions now wrecking higher education. But ignoring true diversity, reducing unique individuals to simplistic group identities, compromises the university’s responsibility not just to train competent professionals, but to develop in students the skills, knowledge and abilities necessary for living as a free citizen.

Restoring higher education, then, means providing a traditional liberal education. Now more than at any time in our history, our young are exposed to new technologies of communication and entertainment that pollute their minds with dehumanizing images and content, even as schools are dominated by curricula that are philistine as well as ideologically corrupt, making a traditional liberal education more important than ever.

Alan Bloom in his 1987 book The Closing of the American Mind, made this same point: “Picture a thirteen-year-old boy sitting in the living room of his family home doing his math assignment while wearing his Walkman headphones or watching MTV. He enjoys the liberties hard won over centuries by the alliance of philosophic genius and political heroism, consecrated by the blood of martyrs; he is provided with comfort and leisure by the most productive economy ever known to mankind; science has penetrated the secrets of nature in order to provide him with the marvelous, lifelike electronic sound and image reproduction he is enjoying. And in what does progress culminate? A pubescent child whose body throbs with orgasmic rhythms; whose feelings are made articulate in hymns to the joys of onanism or the killing of parents; whose ambition is to win fame and wealth in imitating the drag-queen who makes the music. In short, life is made into a nonstop, commercially prepackaged masturbational fantasy."

How much more do our young—whose debased cultural environment makes the late 80's look Victorian— need a liberal education? Bloom explains: "By liberal education I mean education for freedom, particularly the freedom of the mind, which consists primarily in the awareness of the most important human alternatives" for living a life suitable for our minds, that is, a question of human identity and its purpose.

"A liberal education," Bloom continues,

"means precisely helping students to pose this question to themselves, to become aware that the answer is neither obvious nor simply unavailable, and that there is no serious life in which this question is not a continuous concern. . . . Liberal education provides access to these alternatives, many of which go against the grain of our nature and our times. The liberally educated person is one who is able to resist the easy and preferred answers, not because he is obstinate but because he knows others worthy of consideration."

In other words what we can call genuine "critical thinking," the opposite of what cultural Marxism calls "critical thought," which ends up being propaganda for illiberal, collectivist ideologies that line what Friedrich Hayek called "The Road to Serfdom." One of those bad ideas is the cult of victimhood and racialist identities that have corrupted our universities into finishing schools for training the subjects of tyranny.

Bruce S. Thornton is a Shillman Journalism Fellow at the David Horowitz Freedom Center, an emeritus professor of classics and humanities at California State University, Fresno, and a research fellow at the Hoover Institution. His latest book is Democracy's Dangers and Discontents: The Tyranny of the Majority from the Greeks to Obama. This article first appeared in the Hoover Daily Update of September 27, 2024.

ADDENDUM I

NOVEMBER STATE PROPOSITION RECOMMENDATIONS

Proposition	VOTE	WHAT IS IT?	WHY?
Prop 2	NO	Piles on $20 Billion to existing out-of-control State Debt	Additional State Debt on top of existing current fiscal year debt of $40 Billion and $10 Billion in Local Debt for new school construction also on the ballot,
Prop 3	NO	Repeals Prop 8 same sex marriage ban	Unnecessary in view of federal court ruling
Prop 4	NO	Piles on another $20 Billion to State Debt	See comment above on Prop 2.
Prop 5	NO!	Guts Prop 13's key 2/3ds vote	Adds housing and "infrastructure" projects to local bond measures that would be subject to lower 55% approval threshold.
Prop 6	NO!	Severely restricts requiring prison inmates to work	Slavery was prohibited after 1863. This would allow prisoners to refuse work requirements.
Prop 32	NO!	State minimum wage of $18/ hour. Job killer that will bankrupt many small businesses.	State minimum wage is currently $14.50/hour. State law imposing $25/hour minimum wage for restaurant and health care workers already is killing jobs as well as bankrupting the restaurant industry and public and private hospitals.
Prop 33	NO!	Will destroy rental housing industry, worsen current state housing shortage, and put middle class home ownership out of reach.	Eliminates current state law exceptions to statewide and local rent control laws.
Prop 34	YES	Prevents Foundation that uses federal drug subsidies from misusing funds to promote apartment rent control	AIDS Health Care Foundation has spent hundreds of millions on sponsoring unrelated state and local rent control initiatives.
Prop 35	NO	Eliminates Legislature's discretion to use MediCal tax funds to cover general fund budget deficits	Permanently allocates existing tax from use for low income medical care.
Prop 36	YES!	Tough measures to combat retail theft and fentanyl possession and sales.	Also mandates fixed prison sentences for retail theft crimes based on property and mandates drug treatment for multiple offenses and higher penalties if treatment is rejected.

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