

Weekly Update December 1 - 7, 2025

Thanksgiving week was predictably quiet. The last Board of Supervisors meeting was held on November 18, and the next is scheduled for December 9. Two important meetings follow the BoS; SLOCOG on December 10 introducing proposed sales tax measure language and the Coastal Commission ostensibly deciding the future of the Diablo Canyon Power Plant on December 11. These are fateful meetings. If you feel strongly about either topic, you should engage. We will, of course, provide details after those meetings, but by then it may be too late for your input.

Lots of Red Ink for the Holidays

'Tis the season for budget deficit projections. We reported a couple weeks ago that SLO County administrative staff has done a budget analysis in preparation for the 2026-27 County Budget. In that work, they came up with a forecast of a \$4 - 11 million shortfall.

Now, we are learning that the State of California Legislative Analyst's Office (LAO) is forecasting an \$18 billion shortfall for our state government.

We continue to beat this drum mostly because nobody appears to be paying attention to this alarming trend. Nobody wants to discuss it in early stages, but everybody moans and complains when it comes time to make cuts.

Some might say that SLO County's \$1 billion budget can easily overcome a mere \$11 million shortfall, as can the state with only \$18 billion against a \$226 billion budget. Afterall, it's just Other People's Money.

What these projected shortfalls don't reflect, however, is what can easily go wrong to make the shortfalls even worse. The state budget is highly impacted by the performance of the stock market. When taxpayers do well, tax revenues come in strong. When the market faulters, revenues take a hit. When the state budget takes a hit, it could impact the funds that the state disperses to the counties for programs. Grants could easily be cut as well as funding for critical elements such as public safety, health and human services and transportation projects.

We certainly don't want to sound like Chicken Little suggesting the sky is falling, but wouldn't it be prudent to practice a little fiscal restrain on both the state and county levels?

Two glaring examples of local largesse in the last couple of weeks are the extra \$200,000 in additional (over budget) funding allocated to the Morro Bay to Cayucos pathway and the diverted funds (over \$400,000) for the temporary Cecchetti crossing that would have otherwise been spent on regularly scheduled road/bridge projects. That the bridge funds were left over from a different project doesn't make the funds surplus. It was still taxpayer money that should have been used for its original budgeted purpose because the next project down the list still needs to be funded.

That's \$600,000 that was not in the current budget. Spent in just a couple of weeks. If the economy doesn't hold, we will be wishing we had that \$600,000 for higher priority projects a year from now.

Compounding the expected state shortfall is what analysts refer to as the "structural deficit". This shortfall is expected to reach \$35 billion next year. This is the deficit before the various budget "tools" (tricks?) are used to bring it into balance. According to the LAO, "California's budget is undeniably less prepared for downturns. Many of the tools used to manage previous shortfalls, including withdrawing billions from reserves and using temporary solutions, are largely depleted, leaving fewer options to address future gaps".

In some ways, our county is more prepared than many due to the leadership of our new CEO Matt Pontes. His "rebalancing" effort is designed to review the budget expenditures department by department seeking efficiencies and elimination of duplicate or unnecessary spending. The current budget was cut by about \$38 million but still grew by 9% over the previous year. Rebalancing will be implemented again in the preparation of the 2026-27 budget.

Despite this effort, our county continues to make expenditures that exceed revenues. Even worse, the majority on the Board of Supervisors don't seem to exercise constraint. Perhaps they are having stern internal discussions, but there are no public warnings about needing to prepare should more cuts be required. There is no public discussion about what would happen if the state needs to cut funding designated for counties. And certainly there is no effort to cut back – even on the extra unbudgeted expenditures that too often sail through the Board of Supervisors approval process.

ICE Sickies

A local newspaper made a big deal on November 26 about U.S. Immigrations and Customs Enforcement (ICE) picking up two criminals from the lobby of the SLO county jail as they were released from local custody there.

The article featured details of exactly what time the ICE vehicle arrived, a description of the vehicle, the number of agents, what the agents were, how long the agents were at the jail and what time they left. The article even gave details about

one agent carrying "what appeared to be bear spray" and witness reports that said spray was pointed a couple times in the direction of some anti-ICE activists.

What the article didn't bother with was the names of the two people ICE picked up, or what sort of crimes they are accused of committing. The newspaper couldn't be troubled with providing details of the victims of those two arrestees, or details about what those victims went through because of the actions of the two arrestees. No concern was shown about how those victims are recovering, what long-term impacts they have experienced and nothing about what their friends and family have gone through trying to support a recovery.

No mention was made of the awful treatment ICE agents see on a daily basis from protesters who seem to feel that because they disagree with immigration laws, they can behave in a violent fashion against ICE agents and their families. Absent was any reference to politicians calling for protests that usually lead to such violence.

We can't help but to be dismayed with the mindset that criminals, regardless of their immigration status, seem to be of greater concern in our society than victims. A murder, assault, robbery or rape victim is just a statistic. But a criminal is somehow seen as a product of our value system and therefore should be afforded every possible opportunity to have a better day or a better life.

To be certain, we believe in due process and civil rights, but we also believe in the rights of the government to enforce all laws, no matter how unhappy a subset of society feels about those laws. Like too many issues, if half the effort protesting was instead spent finding solutions, we would be far better off.

California Dreamin'

The offshore wind power generation concept, at least here on the Central Coast, seems to be floundering amidst many unanswered questions and uncertain direction from investors, lease holders and regulators on every level of government.

We aren't looking to debate the virtues of wind power, but we do see the current status of the industry as emblematic of the future of "green energy" and how it fits into the future of the Diablo Canyon Power Plant.

Those calling for the closure of the plant are quick to suggest that power from the plant won't be needed in the future because we have so much renewable/green energy coming online and the grid will have more power than we will ever need. But when examined closely, such statements are aspirational at best.

The amount of land and habitat required for solar fields along with the complications, expense and environmental disruption with offshore wind and the fire hazards associated with large scale battery storage all make such projects very difficult to complete. Not in my backyard NIMBYism is alive and well. Costs rarely even become a discussion point as most seem to spin out of control far beyond predictability.

The same can be said for build time. Acquiring the rights and the permits takes much longer than one might expect. Garnering local support requires even more time and probably many concessions. Components come from all over, including other countries. Delays are common. There is usually a need for additional support aspects such as transmission lines and the necessary connections to the grid. Then we all wait for the sun to shine or the wind to blow.

It would be great if in four years (the time currently remaining on the Diablo Plant permit) we could have clean, reliable and <u>affordable</u> electricity sufficient to power our growing needs of our grid. But nobody can guarantee that we can even come close to that dream. Not the power providers, the engineers, the Governor, the environmental community, Mothers for Peace or college professors – no one from the anti-nuke side can provide proof that if we shut down the Diablo Plant in 2030 we will have the electricity that we need.

The silly notion that somehow, in the next four years, we will figure out a way is foolish, selfish and extremely dangerous.

The wise move would be to grant the extension and let PG&E continue generating power until 2045. In the unlikely chance that we end up with excess electricity in the Golden State, we can sell it to neighboring states that otherwise might still be relying on coal generated power – a win win for everyone.

Second Round @ Coastal Commission

If you have an opinion on the subject of the Diablo Power Plant, the most impactful thing you can do is participate in the next California Coastal Commission hearing which will be held on Thursday, December 11 at the Pier South Resort, in Imperial Beach. The meeting is scheduled to begin at 9:00 AM, but it is wise to double-check the details at www.coastal.ca.gov. You can participate online or in person. The recent meeting, held on November 6, lasted until 5:00 PM with about 60 people speaking against extending the permit and 40 speaking in favor of a 20-year operating permit. Most speakers are limited to one or two minutes.

We were left with the impression after the last meeting, that Coastal Commissioners were swayed by the requests from people like Senator Laird and Supervisor Gibson that PG&E should be required to give up more land and finance more trail maintenance and habitat renewal endowments before being granted the 20 year operating permit. Neither Laird or Gibson expressed any concern for the costs associated with such requests, nor did they mention affordability while spending ratepayer money for the benefit of their environmental activist friends.

Coastal Commission staff had worked with PG&E for over a year developing a plan that works for both sides. Wouldn't it be nice if Laird spent more attention on balancing the state budget and Gibson worked harder on the SLO County budget? Let the Coastal Commission do its job without running up the bill for ratepayers by squeezing everything you can from PG&E in exchange for a permit to keep supplying electricity.

Taxing Matters

A reader pointed out that in our story about sales taxes a couple of weeks ago that we lumped Pismo Beach in with the rest of the cities in SLO county that have sales taxes totaling 8.50 cents per dollar. In fact, Pismo only charges 8.25 cents on the dollar.

Currently, county staff are working on language for a sales tax measure designed for public safety. It is expected to be a one-cent additional sales tax focused on fire and sheriff services. We do not yet have a status report on the progress of that endeavor.



We do, however, have some draft proposals on the development of the half-cent measure sponsored by SLOCOG which is expected to appear on the November ballot. The draft outline for the measure says it will do the following:

A San Luis Obispo regional, 1/2 cent sales tax for transportation would:

- Generate \$35M annually, escalating each year (or \$700M over 20 years without escalations)
- Reclaim \$0.8M to \$1M, annually, from State funds
- Collect a \$3M to \$5M one-time windfall from State funds
- Qualify the region to receive our fair-share of State and Federal funds (our neighboring Central Coast Counties have seen average annual grants that equal or nearly double collected tax amounts)
- Include Investment Guidelines providing safeguards, assurances, and oversight of all funds.
- Guarantee 99% of all funds be for transportation-related improvements within the Expenditure Plan

Draft expenditure or disbursement categories are as follows:

- 1. 55% for Local Road Repairs, Safety and Improvements (Jurisdictions determined)
 - a. Distribute funds by formula to the jurisdictions based on share of population
 - Build in flexibility through local control recognizing that each local agency (and its public) may differ in their transportation funding needs and priorities.
 - Assure the public has a voice when each local agency determines its priorities.
 - d. Uses may include (as determined by the local agency): Road and bridge repairs, maintenance, rehabilitation, safety, and congestion relief; pedestrian, bicycle, sidewalks, crosswalks, multiuse path, Safe Routes to School, and community enhancements, Signal improvements/synchronization, local transit or trolley services, and other local transportation priorities.
- 2. 40% for Regional Corridor Improvements (SLOCOG determined)
 - Distribute funds by formula guaranteeing regional improvements based on share of population.
 - Assure equitable, guaranteed, distribution by using 4 subregions: North County, North Coast, Central County, and South County
 - c. Build in flexibility to recognize each subregion's priority needs may differ from another.
 - d. Assure the public has a voice when SLOCOG determines priorities.
 - Uses can include: Improvements to highways, arterials, interchanges, bridges, van/carpool programs, regional trail corridors, safety/congestion relief, and regional transit.
- 3. 4% for Senior/Disabled/Veterans' mobility improvements (SLOCOG determined)
 - Use a public process in conjunction with current procedures to address and improve mobility of those that are mobility challenged.
 - b. Assure the public has a voice when SLOCOG determines its priorities.
- 4. 1% for Administration of the Measure Funds
 - Tasks include: Developing Implementation Plan, Project Prioritization, Annual Audits, Outreach and Communication, Revenue distributions to jurisdictions, Support for Measurerelated Committees and technical assistance.

The draft language will be presented at a December 10 SLOCOG Board meeting and will then be presented to each city council during the month of January, before going before the Board of Supervisors on January 27. Here is the schedule:

Jurisdiction	Action item to: Review and provide input into draft plan
SLOCOG	12/10/25
Arroyo Grande	1/13/25
Atascadero	1/13/26
Grover Beach	1/12/26
Morro Bay	1/13/26
Paso Robles	12/16/25
Pismo Beach	12/16/25
SLO City	1/20/26
County BOS	1/27/26

We do not know whether San Luis Obispo County voters have an appetite for a tax increase, and we wonder how the possibility of two increases on the same ballot

might play out. We wonder whether the Board of Supervisors will perceive the two measures as competing against each other.

Will the tax measures become partisan, or do their subjects transcend party lines? If we use the recent special election for Prop 50 as a guide to predict outcomes, things look pretty good for tax increases. Many otherwise high propensity Republican voters didn't bother to vote while the Democrat voter turnout was strong. Will that model change for our general election that includes almost all statewide races including Governor?

As we reported in late summer, SLOCOG held a round of informational/listening sessions around the county to gather feedback and reaction as they developed the language for the measure. Presumably, there is still opportunity for feedback at any of the above-mentioned meetings.

Last Week

Fees – Lots of Ups, A Few Downs and Confusion

The long list of fees charged by the county for services was reviewed by county staff who made recommendations to the Board of Supervisors at the November 18 BoS meeting.

The review was done at the request of the BoS to attempt to get "full cost recovery" from services supplied to the public. In other words, if a person applies for some sort of permit, and it takes county staff two hours to process the permit, the applicant will be charged a fee that covers most of those two hours of work.

The fee is set based on the average time involved in that specific application review process.

Below is a chart from county staff illustrating how many fees were changed as well as how many were increased or decreased:

Board Discretion		Recommended Changes						Fees at
Туре	Current						New	full cost
	total	Unchanged	Increasing	Decreasing	New	Deleted	Total*	recovery
Full	238	9	144	27	52	58	232	243
Partial	3	0	3	0	1	0	4	2
None	6	4	1	0	4	1	9	0
Total	247	13	148	27	57	59	245	245

Philosophically, there are two ways of thinking about this approach. The first is why should everybody be charged to meet the needs of just a few people? The other point of view is that we pay taxes to have a county government. Why should we have to pay extra if we want a service from that government? This is especially irritating when the service being charged for is to fulfill a requirement set forth by the county in the first place.

The concern continues when the fixed fee is shifted to "Real Time Billing". This is when the staff member processing the service tracks their time and creates a resulting bill.

The Real Time Billing concept has brought about many questions. The main concern is that some county staff are more efficient than others. If the staffer working on an unusual permit request is unfamiliar, or becomes confused, the costs go up for the applicant.

Public feedback during the Board discussion of these fees suggested putting reasonable caps on such fees so that the costs don't spin out of control.

As we covered last week, there are some dramatic fee increases underway. Among the most severe are those for Williamson Act costs. The Compliance Fee for the Williamson Act (farmland conservation) is proposed to go from \$925 to \$5,017 for

an increase of \$4,092. The application fee for a Land Conservation Contract is proposed to go from \$2,336 to 8,487 for an increase of \$6,151.

When members of the public spoke up about the potential impact of these fee increases to the agriculture community, those fee increases were set aside for review. The Board also acknowledged that some of the building fees would need to be reviewed to avoid becoming a (greater) disincentive to home building.

The overall new fee structure passed, and will go into effect in January of 2026.

New Priority: Economic Development

There is a new priority on the minds of our County Supervisors, and it suddenly is so important that they are adding it to their priority list used for budget planning purposes.

The new priority is Economic Development.

Why it hasn't been on that list before now is a head scratcher, but it is a good thing that our Supervisors will now make strategic and fiscal plans with economic development in mind – a big change for a couple of them.

Unlike our Federal Government, that can just print more money when it needs it, county governments are limited to spending only what they have. If our Board of Supervisors wish to spend more money, they must first bring in more revenue.

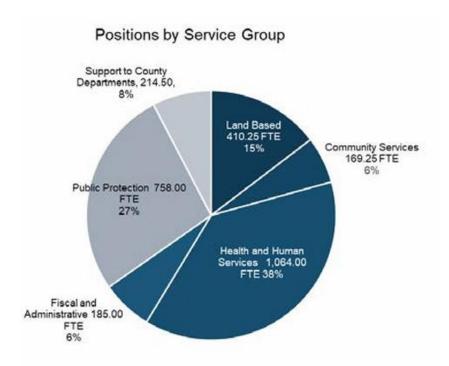
Enter Economic Development – foster the establishing sources that generate more revenue for the county. These typically include either property taxes or Transient Occupancy Taxes (bed tax).

Economic Development might mean an even greater emphasis on building housing, building more hotels and maybe a fancy resort or two. Attracting industry would be a great way to increase tax revenue, especially if it brings good paying jobs. The challenge is that housing costs are too high to attract mid-level income employees.

FY 2025-26 Board Priorities **Public Safety Fiscal Stability** Ongoing **Meet Legal Mandates** Priorities **Meet Debt Service Requirements** Second Tier First Tier Resiliency Homelessness FY 2025-26 Emergency Preparedness & Mental Health Priorities Infrastructure Recovery Housing Water Economic Organizational Effectiveness Development

Here is the current priority list as established by the Board of Supervisors. It is not yet evident what tier Economic Development will occupy.

Below is a county graph illustrating the breakdown of categories of budget expenditures as well as the percentage of funds spent in each category. This is perhaps the best illustration of how the BoS puts its priorities into action:



This is the breakdown of how our BoS has applied the above priorities to the actual budget. It will be fascinating to see what they dedicate to Economic Development.

One of the most impactful forms of Economic Development that can occur in SLO County is the 20-year permit extension for the Diablo Canyon Power Plant. Between the unitary tax that PG&E pays, and the 1600 plus well-paying jobs, the ongoing operation of the plant provides important tax revenues for the county.

It's a shame that Supervisor Gibson has joined forces with State Senator Laird and State Assemblywoman Addis calling for PG&E to give away more land for conservancy around the power plant. The more land PG&E is forced to relinquish, the more expensive the deal becomes. At some point, it becomes no longer viable to stay in business, despite passing on much of the cost of those demands to rate payers.

Cynics might shrug and suggest PG&E has plenty of money, so who cares? Invite them to review the recent case of the Phillips 66 refinery in south SLO County. They needed a simple railroad spur to facilitate the transportation of crude oil into their plant. Again, Gibson was on the side of making business difficult for Phillips

66. They shut the plant. Eliminated over 150 well-paying jobs. With the plant no longer functioning, its taxable value dropped considerably. The ripple effect from the closure is still felt in that part of the county.

One huge opportunity for economic growth has to do with the expansion of the Space Force Base in Lompoc. Many of the people expected to fill new jobs there might prefer to live in SLO County. The recently approved Dana Reserve Project will probably be very attractive to such people. Again, Supervisor Gibson, along with Supervisor Paulding opposed the project.

Economic growth brings more than just tax revenue. It brings vitality to the local economy and provides stability to the job market. We hope that with this new priority, some of our Supervisors will stop being so belligerently against the very things they are prioritizing. After all, it's those very same gents who love to spend every cent they can of the tax base!

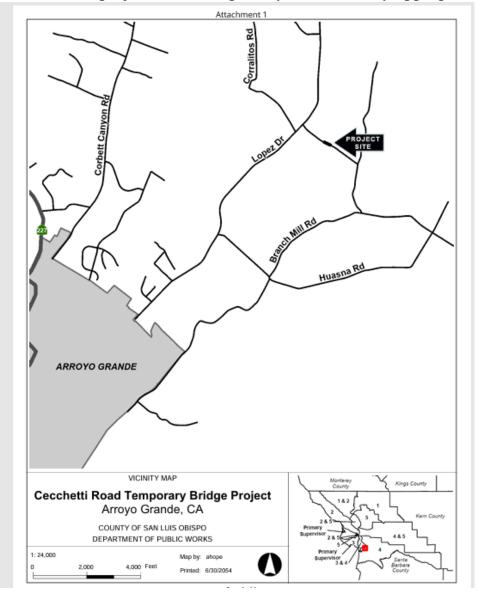
Cecchetti Crossing: Partial Explanation

One form of growth that Supervisor Paulding does support is the growth of a temporary crossing at the Cecchetti Bridge crossing site.

This has been a need within the community since the old crossing washed out in 2023. Construction of a permanent bridge is expected to be completed in 2027 or possibly 2028. Some residents in the community need to drive five miles out of their way to cross at another bridge, and the other bridge is very complicated for agricultural equipment as well as large trucks.

As important as the temporary crossing is, finding the funding has been difficult. But it appears that Paulding, working with the County Public Works Department, has found a solution – sort of.

They found funds left over from another bridge project that came in under budget. Projects that cost less than expected are rare but appreciated. And applying those excess funds to the next project down the priority list is entirely appropriate.



However, since the Cecchetti crossing was not even funded, it is highly unlikely that it was the next project down the list. Paulding, in a terse round of questioning of the Public Works Department, attempted to clear the air about this being anything out of the ordinary. He clarified that these were not funds taken from another project. But

he did not address where these funds would normally go, nor did he mention any sort of standard procedure for the use of excess funds from completed projects.

We are left wondering if excess funds can always be used as some sort of slush fund for Supervisors trying to get a project in their district, or if this was a special favor. As we all know, most of our roads need work. Road funds are scarce and theoretically every need is competing with other needs. Congrats to those in the south Arroyo Grande area who won this round of competition and condolences to those who thought they were next in line for funds.

When special favors or special funding is available to special people due to special connections or special status in a community, it's called patronage, which is especially offensive to voters. We wonder if voters will have special feelings about how this funding came about.

Ironically, had the temporary crossing been in place, crews probably would have been busy removing it during the heavy rains coming down at the same time as Paulding's comments rationalizing grabbing the funds. The temporary crossing truly lives up to its description because its design doesn't allow it to be in place during wet weather.

Silence From the No-Growthers

Last week we wondered whether no-growth Supervisors Paulding and Gibson would make a fuss about the final vote for the Dana Reserve housing project. They did not. Perhaps they figured their previous attempts to shut down the project, along with their no votes, were enough to signal their stand on housing to their no-growth supporters. Whatever the motivation, the project is now approved with a 3-2 vote.

More No-Growth

It was a rough week for property owners at the Board meeting. Details and regulations made life difficult for people trying to pursue housing projects. When

people point out our housing challenges in SLO County, these types of cases should be discussed. Neither of the following land cases represented anything extraordinary, and both would have opened the process for new housing including low and very low-income projects. The mobile home issue is illustrative of how undesirable mobile home parks are becoming in terms of investment.

One property owner with a 30-acre parcel bordering Paso Robles sought to split the parcel into five separate parcels so that homes could be constructed. He was even willing to dedicate land along the busy road at the edge of his property so that a planned rounda

bout could be constructed without the county having to buy the land.

Despite a requirement that all development in the Paso Water Basin comply with a 2-1 water offset, there is also a prohibition for lot splits in the basin. The Board was unwilling to grant him a waiver.

Another request was made by a property owner on the outside edge of Pismo Beach. In this case, the property owner requested authorization to process a General Plan Amendment so that they could develop a plan for housing, again, details such as water and concern expressed by owners of surrounding properties were enough to squash the request for the no-growthers, but fortunately common sense prevailed.

Then, the owners of two mobile home parks appealed a decision denying them the ability to raise rents due to hardship. The Board found that the conditions for a hardship case were not sufficiently met and denied the appeal.

We have seen unmanageable hours of county staff time dedicated to fine tuning dozens of county building codes this year. Many of the updates were done to conform with ever changing California building regulations, but some were not. This work was done as theoretical incentives to make home building easier and more attractive.

At the same time, though, fees are going up, the permit process is as complicated as ever, the inspection process is slow and inconsistent, and we have a couple of County Supervisors that seem to treat builders as if they are trying to deface our environment.

Everybody pays for the consequences of high-priced housing. A trip to the grocery store or out to a restaurant is more expensive than it should be due to the fact that low wage earners can't afford rent. They need to be paid more. Services from contractors or repair personnel are expensive and usually involve a long wait list. Getting an appointment for medical services requires tremendous patience.

We hope that with some new direction, 2027 will bring more common-sense approaches to housing and we will all benefit.

Emergent Trends Page 20

Governor Newsom Sues Trump administration Again for 'Cruel' Cuts to

California's Indefensible Sanctuary Policies Invite Several DOJ Lawsuits

COLAB In Depth

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Governor Newsom Sues Trump
administration Again for 'Cruel' Cuts to
Homeless Housing Funding That will hurt
families

Oh really? From the governor who blew through \$37 billion and only grew homeless in the state?

By Katy Grimes, November 25, 2025

"Governor Newsom sues Trump administration for cruel cuts to homeless housing funding that will hurt families," reads today's latest headline from the California Governor.

Let that sink in.

Homeless housing funding went to families? What families?

I only see mentally ill, drug addicted homeless dudes and women on the streets. No families. The housing funding money went to developers to renovate motels and build tiny homes, which were turned into tiny crack houses.

Here's the crux of Newsom's latest lawsuit against the Trump administration:

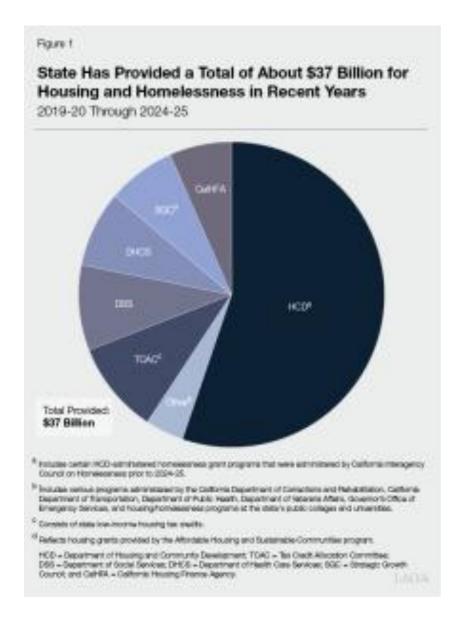
"Governor Newsom filed a lawsuit today as part of a multistate coalition challenging the Trump administration's sudden slash of funding for permanent housing programs, threatening housing access for tens of thousands of vulnerable Californians."

Compare Newsom's statement with <u>U.S. Department of Housing and Urban Development</u> (HUD) Secretary Scott Turner's:

In accordance with President Trump's Executive Order, "Ending Crime and Disorder on America's Streets," this Notice of Funding Opportunity restores accountability to homelessness programs and promotes self-sufficiency among vulnerable Americans. It redirects the majority of funding to transitional housing and supportive services, ending the status quo that perpetuated homelessness through a self-sustaining slush fund.

That's really what Gavin Newsom is upset about – his homelessness slush fund is coming to an end after wasting \$37 billion to subsidize homelessness, \$37 billion of taxpayer funding, while failing to track how those billions were spent. Gov. Newsom spent \$37 billion on homelessness since 2019, according to the March 5, 2025 report from the California Legislative Analyst's Office. Who knows

what that total is now.



According to Gov. Newsom:

"While Donald Trump is busy hosting parties and showing off his gold-plated decor, Americans are worried about groceries, rent, and basic stability. Most families can't fall back on inherited wealth or walk away from failure through bankruptcy — but they're the ones stuck paying for his chaos and incompetence. For all Trump's talk about others feeding at the trough, there's really only one 'piggy' here — and he'll find it in his own gilded mirror."

According to HUD Secretary Turner:

Roughly 90% of the last four years CoC awards funneled funding to support the failed "Housing First" ideology, which encourages dependence on endless government handouts while neglecting to address the root causes of homelessness, including illicit drugs and mental illness. The CoC Program was intended to be a national competition to select the most effective and innovative programs, however the Biden administration only completed about 10% of projects over four years. During that same time period, transitional housing, which has been proven to encourage self-sufficiency, never received more than 2% of CoC funding.

Attorney General Bonta weighed in on the funding cut:

..."the Trump Administration is now attempting to illegally slash its funding. As a result, for the 47th time in 44 weeks, I'm taking President Trump to court."

"The federal government's sudden and cruel changes to how nonprofits and community organizations can access funding threatens to undo years of progress and puts more than 170,000 people nationwide at risk," said Business, Consumer Services and Housing Secretary Tomiquia Moss. "Here in California, we're pushing back on this attempt to deprive vulnerable Californians of a place to call home."

It's all about the illegal gravy train provided to dubious and newly-created non-profits, NGOs and "community organizations," now worried about how their grift and graft will live on.

Back to HUD Secretary Turner:

"As part of this announcement, Secretary Turner is requiring that 70% of projects be competed to determine the best programs, ending the status quo that automatically renewed funding without measuring success."

Ouch. That's gonna leave a mark.

Among other measures, this HUD Notice of Funding Opportunity:

- Increases competition for grants to improve system efficiencies and spur innovation.
- Advances public safety through thoughtful partnerships with law enforcement.

- Focuses on self-sufficiency and not on the expansion of government subsidies and perpetuation of slush funds.
- Encourages personal accountability through enhanced treatment requirements to combat the Fentanyl crisis.
- Cracks down on DEI, gender ideology extremism, and the misuse and abuse of taxpayer dollars on illegal aliens.

California spent \$37 billion to tackle homelessness in 5 years – 2019 to 2024 – but didn't track where the huge outlay of public money actually went, nor did the state bother to investigate whether it improved the lives of the homeless drug addicts, according to the 2024 state audit.

In October, Gov. Newsom vetoed a recovery housing for drug addicts bill in order to preserve his 'Housing First' Grift, the Globe <u>reported</u>. The bill passed the Senate with an overwhelming bipartisan 39-0 vote, and the Assembly 79-0. Newsom claimed that "current law already permits local jurisdictions to receive funding within the Housing First framework." Newsom also claimed Assemblyman Haney's bill would have been a "duplicative and costly new statutory category." The failed "Housing First" program does not prioritize "recovery housing," or sober living programs, which is the only way homeless drug addicts will ever recover. "Housing First" hasn't worked at all for the homeless drug addicts, but has worked beautifully for developers and contractors chosen to remodel and renovate motels and hotels, build low-income apartments and tiny homes – all of which are destroyed by the drug addicts who aren't required to participate in a recovery program. Only triage and treatment will lead to recovery.

The city of Los Angeles spends nearly \$1 million per homeless drug addict via NGO/Non-profit that they try to get off the streets. But the incentives are perverse – they want to serve more homeless people to increase their business, so they never implement actual programs that would lead to recovery for the addict.

This is their business model. Governor Newsom knows this. As we have all witnessed in California, the more money spent on "homelessness" the more drugaddicted homeless vagrants we attract. The more we complain about the homeless drug addicts living in our neighborhoods, the more money is spent on it.

If Newsom actually adopted a recovery model for homelessness, he knew the spigot of funding would diminish.

So The HUD Secretary did it for him.

California's Indefensible Sanctuary Policies Invite Several DOJ Lawsuits

In-state tuition for illegals, Mask Ban for Federal Officers, Sanctuary cities

By Katy Grimes, November 21, 2025

The Department of Justice has filed multiple lawsuits against California, challenging its sanctuary state policies, which allegedly obstruct federal law enforcement, as well as immigration enforcement.

The DOJ says the aim of these lawsuits is to hold California accountable for laws that the DOJ claims discriminate against U.S. citizens and undermine federal law. In <u>February</u> California Governor Gavin Newsom defiantly <u>signed</u> legislation authorizing a \$50 million legal slush fund to "Trump-proof" the state against the President – \$50 million that the state doesn't have so State Attorney General Rob Bonta can spend more time and taxpayer money to file lawsuits against the Trump administration in an attempt to defend California's indefensible leftist policies. <u>The Globe noted</u> that it's about time the people have an U.S. Attorney General holding all states accountable. California's sanctuary state laws put every resident in danger, and cost taxpayers a shocking amount of money.

The most recent of these federal lawsuits was filed this week against the State of California and its public university systems. The DOJ alleges that offering in-state college tuition rates to illegal immigrants who graduate from California high schools is illegal.

In-State Tuition and Financial Aid for Illegal Aliens

Filed November 20, 2025, the DOJ is challenging California laws that provide instate tuition, scholarships, and subsidized loans to illegal aliens. The lawsuit says California's sanctuary laws discriminate against U.S. citizens and incentivize illegal immigration.

And it is important to recognize that the state of California has been making substantial financial investments in the futures of people who legally cannot get a job after graduation.

"Yet California Education Code ("Cal. Educ. Code") § 68130.5 extends eligibility for in-state tuition benefits at state postsecondary educational institutions, including resident tuition, scholarships, and subsidized loans, to illegal aliens, while requiring U.S. citizens from other states to pay higher tuition rates," the lawsuit states. "This unequal treatment is squarely prohibited and preempted by federal law, which expressly provides that 'an alien who is not lawfully present in the United States shall not be eligible on the basis of residence within a State . . . for any postsecondary education benefit unless a citizen or national of the United States is eligible for such a benefit . . . without regard to whether the citizen or national is such a resident.' 8 U.S.C. § 1623(a) (emphasis added). Cal. Educ.Code § 68130.5 is thus unconstitutional under the Supremacy Clause of the U.S. Constitution, and this Court should declare it illegal and permanently enjoin its enforcement." "California is illegally discriminating against American students and families by offering exclusive tuition benefits for non-citizens," U.S. Atty. Gen. Pam Bondi said in a Department of Justice statement, saying the state has a "flagrant disregard for federal law."

The Department of Justice's complaint is filed in the Eastern District of California against the State of California, Governor Newsom, the State Attorney General, and the Regents of the University of California, the Board of Trustees of the California State University, and the Board of Governors of the California Community Colleges seeking to order the State from enforcing the California sanctuary in-state tuition laws for illegal aliens, and bring them into compliance with federal requirements.

In the complaint, the United States seeks to enjoin enforcement of California laws that requires colleges and universities to provide in-state tuition rates for all aliens who maintain California residency, regardless of whether those aliens are lawfully present in the United States. Additionally, the complaint seeks to enjoin California from enforcing its so-called "California Dream Act" which affords scholarships and subsidized loans to illegal aliens, the DOJ says.

This lawsuit follows two executive orders signed by President Donald Trump that seek to ensure illegal aliens are not obtaining taxpayer benefits or preferential treatment: "Ending Taxpayer Subsidization of Open Borders" and "Protecting American Communities From Criminal Aliens." This lawsuit also follows similar

tuition lawsuits in <u>Texas</u>, <u>Kentucky</u>, <u>Illinois</u>, <u>Oklahoma</u>, and <u>Minnesota</u>, the DOJ said.

"The DOJ has now filed three meritless, politically motivated lawsuits against California in a single week. Good luck, Trump. We'll see you in court," Gov. Gavin Newsom's office said in response.

As I reported in 2011:

Gov. Jerry Brown signed into law AB 130, the "California Dream Act of 2011," authored by Assemblyman Gil Cedillo, D-Los Angeles. The Dream Act will allow students who are in the country illegally to pay in-state tuition and apply for grants and private-college scholarships, competing with legal residents of the state.

The California Dream Act merely rewards illegal behavior while placing a new financial burden on California taxpayers.

Despite multiple vetoes of previous Dream Act bills by former Gov. Arnold Schwarzenegger, Brown signed Cedillo's bill on Monday. But Schwarzenegger's last veto message still resonates: "Given the precarious fiscal condition the state faces at this time, it would not be prudent to place additional demands on our limited financial aid resources as specified in this bill."

The underlying principles used in the creation of the California college and university system were "for all regardless of their economic means," and that academic progress was only to be "limited by individual proficiency." The passage of the Dream Act just eroded these principles.

Many involved in California's education system have been critical for many years of the disregard for state and federal immigration laws by the Legislature and governors.

Federal law states that illegal immigrants "shall not be eligible on the basis of residence within a state for any postsecondary education benefit ... unless a U.S. citizen or national is eligible for such benefit without regard to whether he is a resident."

Mask Ban and Identification Requirements for Federal Officers
Four days ago, November 17, 2025, the Department of Justice <u>filed a</u>
<u>lawsuit</u> against the State of California, Governor Gavin Newsom, and Attorney

General Robert Bonta challenging their unconstitutional attempt to regulate federal law enforcement officers through the so-called "No Secret Police Act" and "No Vigilantes Act."

The DOJ contests California's laws that regulate federal law enforcement officers, arguing they threaten officer safety and violate federal authority.

In Dem Senators Want Law Enforcement Unmasked – Yet Mandated Yet Mandated Mask Wearing For 3 Years' In CA During COVID, the Globe reported that the state's Democrats are now pushing for ICE agents and members of law enforcement to unmask themselves.

California State Senators Scott Wiener (D-San Francisco) and Jesse Arreguin (D-Berkeley) are the authors of SB 627, the "No Secret Police Act" to prohibit law enforcement at all levels from covering their faces while conducting operations in the state of California.

The bill also requires officers to be identifiable on their uniform.

The DOJ said:

Not only are the laws illegal attempts to discriminate against and regulate the federal government, but, as alleged in the complaint, the laws threaten the safety of federal officers who have faced an unprecedented wave of harassment, doxxing, and even violence. Threatening officers with prosecution for simply protecting their identities and their families also chills the enforcement of federal law and compromises sensitive law enforcement operations. The danger is acute.

"Law enforcement officers risk their lives every day to keep Americans safe, and they do not deserve to be doxed or harassed simply for carrying out their duties," said Attorney General Pamela Bondi. "California's anti-law enforcement policies discriminate against the federal government and are designed to create risk for our agents. These laws cannot stand."

"The Department of Justice will steadfastly protect the privacy and safety of law enforcement from unconstitutional state laws like California's," said Assistant Attorney General Brett A. Shumate of the Justice Department's Civil Division.

"Assaults against federal agents have exploded over the last few months, thanks in part to recklessness political rhetoric aiming to delegitimize our brave agents," said First Assistant United States Attorney Bill Essayli of the Central District of

California. "Unconstitutional laws such as this one further endanger our brave men and women protecting our community. Our immigration enforcement will continue unabated and unhindered by unconstitutional state laws enacted by irresponsible politicians."

Ironically, California politicians are the same people who mandated masks on everyone's faces in California, including babies and children, during the coronavirus flu outbreak, while locking 40 million people down for 3 years.

It's as nutty as California Governor Gavin Newsom calling President Donald Trump an authoritarian, when Newsom ordered California locked down for 3 years, mandated masks, social distancing and the covid shot, to go back to work and school.

Sanctuary City Policies in Los Angeles

In June, the Department of Justice filed a <u>lawsuit</u> against the City of Los Angeles, California, Los Angeles Mayor Karen Bass, and the Los Angeles City Council over policies that Los Angeles enacted shortly after President Donald J. Trump's reelection to interfere with the federal government's enforcement of its immigration laws.

This lawsuit targets Los Angeles for its sanctuary city policies, which the DOJ says interfere with federal immigration enforcement. The DOJ alleges these policies contribute to increased lawlessness and violence.

The DOJ said:

Not only are Los Angeles's "sanctuary city" policies illegal under federal law, but, as alleged in the complaint, Los Angeles's refusal to cooperate with federal immigration authorities contributed to the recent lawlessness, rioting, looting, and vandalism that was so severe that it required the federal government to deploy the California National Guard and the United States Marines to quell the chaos.

"Sanctuary policies were the driving cause of the violence, chaos, and attacks on law enforcement that Americans recently witnessed in Los Angeles," said Attorney General Pamela Bondi. "Jurisdictions like Los Angeles that flout federal law by prioritizing illegal aliens over American citizens are undermining law enforcement at every level – it ends under President Trump."

"Today's lawsuit holds the City of Los Angeles accountable for deliberately obstructing the enforcement of federal immigration law," said U.S. Attorney Bill Essayli for the Central District of California. "The United States Constitution's Supremacy Clause prohibits the City from picking and choosing which federal laws will be enforced and which will not. By assisting removable aliens in evading federal law enforcement, the City's unlawful and discriminatory ordinance has contributed to a lawless and unsafe environment that this lawsuit will help end."

California still is home to the largest illegal-alien population in the country, initially with 35 sanctuary cities, morphing into the full state as a sanctuary, courtesy of California's Democrat lawmakers.

How did <u>California</u> become a sanctuary state?

In 2017, opportunistic California Democrats authored bills to counter the immigration executive orders to protect Americans, of President Donald J. Trump – in violation of Trump's constitutional authority.

Then-Senate President Pro Tem De León, D-Los Angeles, the author of <u>Senate Bill</u> <u>54</u>, claimed that "immigrants are valuable and essential members of the California community" and all attempts to enforce immigration laws create fear of the police among "immigrant community members" who fear "approaching police when they are victims of, and witnesses to, crimes."

SB 54 passed the California Legislature entirely along party lines, Gov. Jerry Brown signed it into law, and <u>turned California into a sanctuary state</u>. Gavin Newsom made it worse.

Ringside: Shifting Costs Does Not Solve California's Electricity Shortages

Last year, the average rate in California rose by 96 percent compared to ten years ago

By Edward Ring, November 20, 2025 2

California's <u>Little Hoover Commission</u> was created in 1962 "as an independent and bipartisan state agency charged with making recommendations to the governor and Legislature on ways to make state programs more efficient." Funded by taxpayers, officially nonpartisan, they've just released a <u>set of recommendations</u> to lower "The High Cost of Electricity in California." They're right about the high cost. On page 3 of their report they display a table "Average Price of Electricity by Sector (2014-2024)." A look at residential prices in California vs. the U.S. average reveals a growing disparity.

Ten years ago, a California resident could expect to pay 16.25 cents per kilowatthour, compared to 12.52 cents/kWh in the rest of the U.S. That is, Californians paid 30 percent more than people elsewhere in the U.S.

Last year, the average rate in California rose by 96 percent compared to ten years ago, to 31.86 cents/kWh, compared to a 32 percent rise in the rest of the U.S. to 16.48 cents/kWh. Californians are now *paying 93 percent more* for electricity than people in the rest of the U.S.

Notably, the <u>rise in the CPI</u> between 2014 and 2024 was also 32 percent, which is to say that adjusting for inflation, the price of electricity in the rest of the U.S. was flat. It didn't change at all. But in California, after adjusting for inflation, the price of electricity increased by 48 percent.

The Little Hoover Commission (LHC) attempts to explain the reasons for this increase, but their explanations don't tell the whole story. They claim wildfires and homebuilding in the "wildland urban interface" have caused distribution costs to explode. But why would these factors be disproportionate to other western states that have also been ravaged by wildfires and also undergone massive exurban expansion?

The Little Hoover Commission report goes on to blame "Power for Profit" as a source of rising rates. Notwithstanding the implicit anti-capitalist bias in this phrase, they correctly point out that recovery of capital investments constitutes a major portion of electricity bills. But here again, they fail to explain why this isn't putting upward pressure on rates in other states.

The Little Hoover Commission also claims that the billions of dollars of capital investment needed to retrofit the state's grid to accommodate renewables is causing California's higher electricity prices. But why hasn't that caused higher electricity <u>rates in Texas</u>, a state where <u>renewables as a percent of total</u> power is comparable to California?

It might be somewhat off-topic to suggest that electricity costs more in California because *everything* costs more in California. Figuring out how to lower the cost of everything in California may go beyond the scope of Little Hoover Commission's report, but that's the biggest cause. In <u>California utilities pay far more</u> than utilities in other states for capital investments, maintenance and upgrades, and disaster preparedness and recovery.

Recommendations from the Little Hoover Commission include redistributing funds from the Cap and Trade program to low income households to help them pay their bills, and – yes, it's still on the table – to fluctuate the fixed charge in proportion to each customer's household income. But redistributing wealth fixes nothing. It merely raises costs for some while lowering rates for others.

Nowhere does Little Hoover Commission make an obvious suggestion: optimize use of California's conventional sources of electricity, utilizing plants that are already paid for. In 2024, Diablo Canyon supplied 9 percent of California's total instate electricity generation, hydroelectric contributed 14 percent, and natural gas was responsible for 40 percent of the total, still more than any other source. Altogether these conventional sources still contributed 62 percent of California's 216,000 gigawatt-hours of in-state electricity production. The Little Hoover Commission might have suggested that we quit shutting down a natural gas power plant every time another solar farm or battery park comes online. The Little Hoover Commission even might recommend we permit natural gas plants to provide baseload power instead of just backup when the sun is down – California's fleet of natural gas power plants only operated at 26 percent of capacity in 2024. If they'd operated at 90 percent of capacity, they could have generated 304,133 gigawatt-hours in 2024, instead of only generating 86,479 gigawatt-hours. If they'd done that, electricity in California would be dirt cheap. Instead of closing California's fleet of natural gas power plants, they could be upgraded to operate long-term with better efficiency and negligible pollution. The Little Hoover Commission might also recommend nuclear power plant proposals compete on a level playing field instead of having their costs artificially elevated through over-regulation. And they might call for the state legislature to restore California's timber industry so the private sector can profitably thin our

forests and chaparral to reduce fire danger, and actually create jobs and pay taxes in the process.

The Little Hoover Commission has released a report that addresses symptoms and ignores the most significant underlying causes. High prices are lowered through competition, not wealth redistribution. Prices are lowered through deregulation, not through more regulatory oversight. Rates will go down when the supply of electricity rises faster than demand.

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