# COLAB
San Luis Obispo County

The Coalition of Labor Agriculture and Business

**WEEKLY UPDATE**
**May 25 -June 2, 2025**

**THIS WEEK**

Budget Creep
Dude… Give 'em a Break
No Nukes Nonsense
Paso Water Basin Skulduggery
By-by Bruce?

## Budget Creep

Last week, we told you about the proposed $949.5 million 2025-26 SLO County budget, which, despite the $78 million increase from last year's budget, came out balanced. The "balanced" part of that statement meant that expenditures were matched to revenues.

This week, the Board hears a "request to receive and file the FY 2025-26 Supplemental Budget to the FY 2025-26 Recommended Budget, which publishes the FY 2025-26 Budget Hearing schedule and recommends adjustments to the FY 2025-26 Recommended Budget". What that gobblygook statement translates to is an additional $1,308,746 of supplemental requests to add on top of last week's balanced budget proposal.

This, along with Supervisor Gibson's suggestion that county reserves be tapped to provide "gap funding" to several local service providers impacted by cuts in the proposed budget. Discussion about gap funding ranged from $1,000,000 to $2,500,000, with at least one mention of $7,000,000.

Simple math tells us that when the Board meets on June 3, they will need to figure out increases somewhere in the range of $2,308,000 to $3,808,700 in additional spending (and revenue) if they approve the supplemental budget requests and pursue the gap funding idea. Should they let the reserve funding just draw down the reserve balance, the revenue requirement will be less.

COLAB has been commending the Board and county staff for taking a new and much more accountable approach to budgeting. This new approach involves going through the budget of each department in search of obsolescence, duplications and inefficiencies.

However, we were frankly a bit surprised to see a nearly 9% increase, and we are concerned that after an extensive process, we hear about an extra $1.3 million that shows up after everything was supposed to have been carefully "rebalanced".

Those advocating for fiscal responsibility are going to have questions including:

**If $1.3 million extra shows up after just one week from the proposal, how much extra will be needed in the long run?**

**If we tap the reserves this year for a couple million, what happens next year?**

**We see the state is experiencing at least $12 billion in budget shortfalls (possibly two or three times that according to some sources) – what will that mean for funding that traditionally flows to counties?**

**If we see significant state cuts to SLO County, how will that impact funding to our local programs? Who will decide what gets cut and by how much?**

If trimming is needed, proportional cuts obviously would put a much more difficult load on some categories than on others. The administration of any cuts could be more impactful than the original budget process.

Under the 2025-26 Budget Proposal, 38 cents out of your county tax dollar is dedicated to Health and Human Services, 27 cents to public protection, 9 cents to reserves & contingencies, 7 cents to land based support, 6 cents to financing, 5 cents to support county departments, 4 cents to fiscal and administrative costs, 3 cents to community services and 1 cent to capital projects and maintenance.

Stay tuned to see how the budget proposal is addressed in the June 3 Board meeting and especially what happens during the budget hearings June 9-11.

**Aside from the budget, a couple additional items on the June 3 Board of Supervisors agenda are worth noting.**

# Dude… Give 'em a Break

The first is item 4: Request to 1) consider the annual Cannabis Business Tax Rate for Fiscal Year 2025-26; and 2) if necessary, adopt the proposed resolution related to the Cannabis Business Tax Rate to maintain the Cannabis Business Tax Rate at 6% of gross receipts for FY 2025-26. (ACTTCPA).
The Board needs to vote to keep the tax at 6% or it will automatically jump to 8%. The vote requires a 3/5ths affirmative to keep the tax from increasing.  Below is a summary of the status of the tax:

## Cannabis Business Tax (CBT) Overview

- Established June 5, 2018, by voter approval of Measure B-18.
- Governed by San Luis Obispo County Code, Chapter 3.05.
- Initial Rate of 4%; Automatic 2% annual increases on July 1 (starting 2020) up to a 10% maximum.

| Year | Tax Rate | Collected | Notes |
|---|---|---|---|
| **FY 18-19** | **4%** | $ 82,317 | Collections started in March, 2019 |
| **FY 19-20** | **4%** | $ 339,709 | No change to rate |
| **FY 20-21** | **6%** | $ 518,130 | Automatic increase to 6% on July 1, 2020 |
| **FY 21-22** | **6%** | $ 348,840 | BOS voted to maintain 6% CBT rate |
| **FY 22-23** | **8%** | $ 597,748 | Automatic increase to 8% on July 1, 2022 |
| **FY 23-24** | **6%** | $ 708,313 | BOS voted to reduce CBT rate to 6% |
| **FY 24-25*** | **6%** | $ 462,768 | BOS voted to maintain 6% CBT rate |
| **Program Total** | | **$ 3,057,825** | |

* Fiscal Year to date as of May 21, 2025

The above chart illustrates the annual tax revenue generated by legal cannabis sales in SLO County.

The legal cannabis industry is quite vocal about how taxes are driving up costs to the point that they can't compete with the illegal side of the business. We recognize the pickle that this creates for Supervisors; raise the tax rate and potentially put some out of business - which will likely result in a decline in revenue (along with increased illegal trade) or give the legal folks a break and hope their business flourishes. We only wish the same level of discretion could be afforded to other struggling businesses.

## No Nukes Nonsense

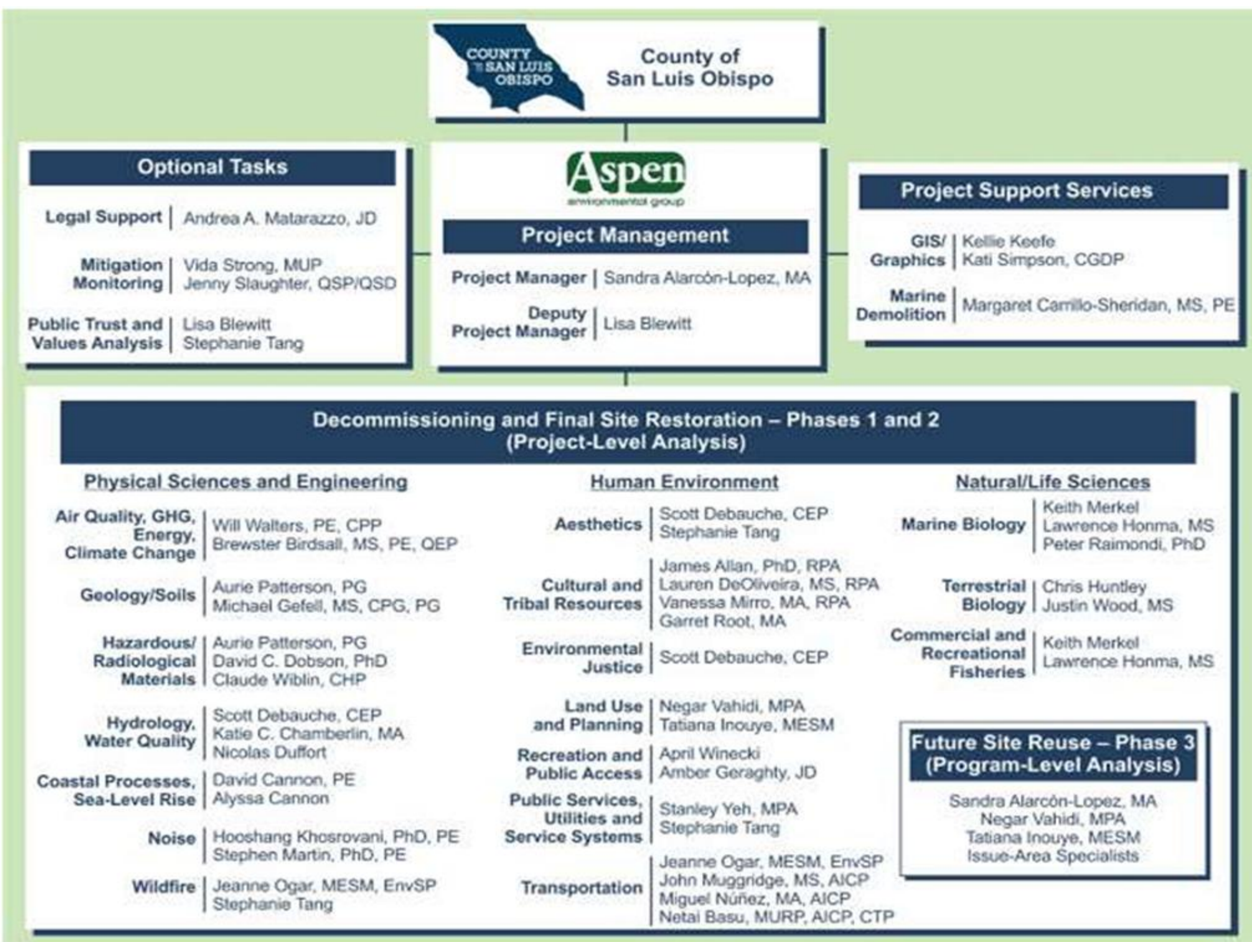
Item 10, while probably quite necessary, is especially irritating. It reads: a request to approve and execute Amendment No. 4 to the Special Services Consulting contract with Aspen Environmental Group, Inc., amending the term of the Contract from July 13, 2025 to July 13, 2027, to complete preparation of the Final Environmental Impact Report (EIR) and project hearing process for the PG&E Diablo Canyon Power Plant Decommissioning Project.

Obviously, it's irritating to have to go through any decommissioning when our statewide grid is already underserved and incapable of providing the reliable electricity that we need for our homes, businesses and industries.

It's also irritating that the decommissioning is costing our county in terms of lost tax revenue on top of the EIR preparation cost of $2,054,557. The power plant provides a sizeable amount to the county tax base when possessing a reasonable 20 year license. Without the license and permits, its value is much less, thus it is taxed at a lower value. Currently, state regulators have extended operating permits by only 5 years, so PG&E is forced to prepare for a 2030 closure.

We can't forget that Diablo Canyon is also the biggest employer in SLO County providing jobs that are critical to our economy.

So, with all of that irritation on the table, we see this contract to provide an Environmental Impact Report which is required to complete the decommissioning. The contract is a 249-page document. The following is an organizational chart showing who is in charge of various aspects of the first two thirds of the Environmental Impact Report:



The Org chart does not illustrate the wide range of personnel involved. Here is a half-page (of a three-page list) of job titles and fee rates for Aspen employees' hourly rates. We count at least 17 positions making over $200 per hour, 6 making over $300 per hour, and one each at $434 and $565 per hour. Gotta wonder if the EIR will include the economic impact of actually preparing the report.

| Category or Name | Current Hourly Rate | 2025-2027 Hourly Rate |
|---|---|---|
| Principal Associate IV | $320 | $320 |
| Principal Associate III | $270 | $270 |
| Principal Associate II | $240 | $240 |
| Principal Associate I | $235 | $235 |
| Engineer IV | $230 | $242 |
| Engineer III | $215 | $226 |
| Engineer II | $200 | $210 |
| Engineer I | $185 | $194 |
| Cultural IV | $175 | $184 |
| Cultural III | $150 | $158 |
| Cultural II | $135 | $142 |
| Cultural I | $125 | $131 |
| Senior Associate IV | $215 | $226 |
| Senior Associate III | $190 | $200 |
| Senior Associate II | $175 | $184 |
| Senior Associate I | $155 | $163 |
| Associate IV | $145 | $152 |
| Associate III | $130 | $137 |

The answer to the question that we should all be asking (how can we fix this ridiculous situation?) is to press Governor Newsom into directing his administration to extend all necessary permits to 20 years. If Diablo Canyon is fully permitted, this decommissioning stuff will stop for the foreseeable future.

Green energy, renewable energy, solar, wind… nothing available in the next decade (at least) will be able to supply the clean and reliable power that our state needs without having Diablo as a cornerstone source.

# Paso Water Basin Skullduggery

The ongoing saga over the Paso Water Basin Joint Power Authority has a new chapter. In a shady move, the JPA gave notice of its public meeting on Friday afternoon May 23 (just before the three-day Memorial Day weekend) for their May 28 meeting. At the meeting, they introduced a plan to have the de minimis users' fees paid by the Groundwater Sustainability Authority, thus relieving de minimis users not only from having to pay water rates on their own wells, but also restricting them from the right to vote on representation of the Paso Basin.

Anybody with a basic expectation of democratic principles being applied to our local government should be wondering:

**Why is this new government agency needed – can existing data on basin levels be trusted to be accurate enough for this decision?**

**At every public hearing, there is a long list of people opposing the new JPA, but no advocates – who is asking for this and why?**

**When did the GSA decide to pay the rates for de minimis users, and where is the public record of that meeting?**

**How much will this GSA pay-off of de minimis rate payers (voters) cost, and where are the funds coming from?**

**Will the GSA pay the de minimis users' rates indefinitely, and if not, will di minimis users get a vote when they do have to pay?**

**Wouldn't it be in everybody's best interest to have an open 218 election to allow the ratepayers of the new agency to choose their representation, and if not why?**

# By-by Bruce?

Supervisor Bruce Gibson has announced that he is not running for re-election to the Second District seat that he has held for almost two decades. In his announcement, he hinted at "focusing on some specific public issues" in his future, but did not elaborate.

His presence on the Board has always brought a left-leaning point of view - often to the discouragement of the business and agriculture communities, but much to the delight of environmental and civil rights groups.

Naturally, the announcement kicked off the usual rounds of speculation regarding who will run to replace him. While the district is left leaning in voter registration, we can only hope to see a reasonable voice that seeks balance while being open to the economic development that SLO County so desperately needs.



## Just Shy of a Billion

The submission of the $949.5 million 2025-26 SLO County budget proposal became a long and tortureous discussion at the end of the Supervisors meeting on May 20. The staff presentation was extensive and highly detailed, offering comprehensive figures with each departmental breakout.

As the numbers continued to roll by in the powerpoint presentation, tracking what seemed reasonable verses what seemed over the top became almost impossible to distinguish. The mezmorizing presentation took the better part of an hour, and wrapped up with the numbers all coming together for a balanced budget featuring spending up by $78,156,266 (or approximatly 9%) over last years budget.

Despite the budget increases, it was stressed that it contained approximately $38 million in cuts and eliminated 168 positions in what was described as a "rebalancing effort". Further, the cuts were designed to curtail a potential deficit of over $67 million by FY 2028-29 had the process continued as it has over the last few years.

As staff finished with their detailed presentations, public comment began. One after another, service providers, shelters, and rehab centers testified about the impact of budget cuts on their programs. Their situations were represented as dire, with a few suggesting that they would not be able to continue without some restoration of funding. Standouts included Marthas Place, Growing Grounds, CASA and ECHO.

The pleas for funding seemed to hit home. Supervisor Gibson led a discussion about the possibility of assisting some of the higher priority programs with "gap funding" sourced from the county's reserve fund. Gibson started the discussion by observing that the approximately $22 million in increased revenues that the county is anticipating seems to be all dedicated to public safety, and suggested future budgets might distribute increases in revenues differently. He then proposed establishing a gap funding program of about $1 million. Supervisor Paulding agreed, mentioning that in his estimate, homeless services were shorted by about $7 million in this budget.

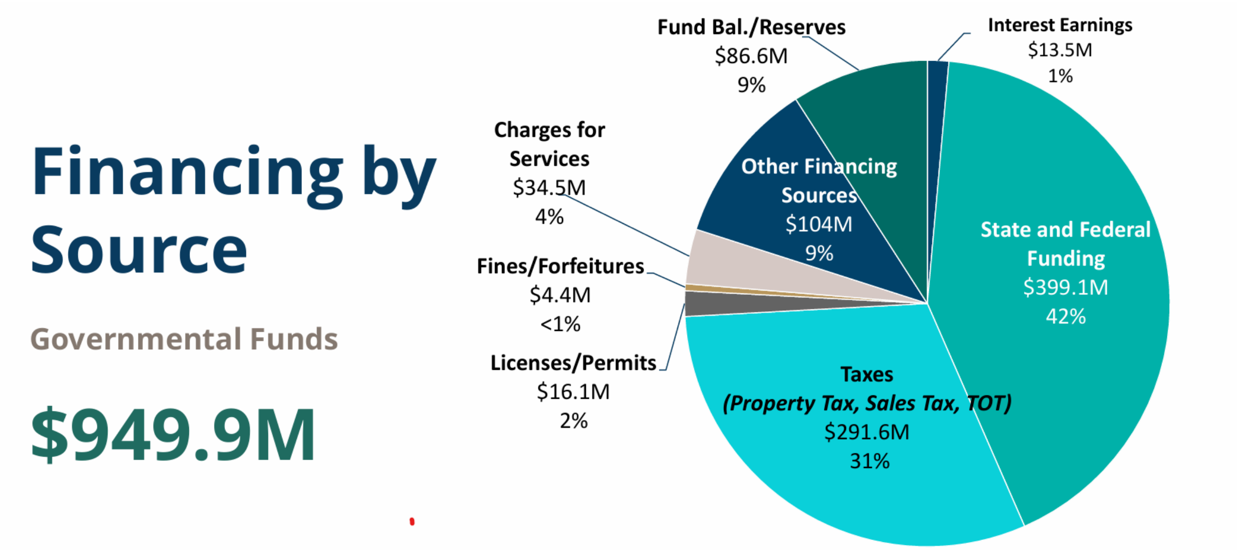
Supervisor Ortiz Legg pointed out that homeless services do have a public safety component and bounced around a figure of up to $2.5 million in gap funding out of the reserve account. She emphasized the $20 million that has been invested so far in beds and programs for homeless services, along with the 30% reduction in the homeless population in SLO County, and stressed that she didn't want to see that investment lost or programs closed. Ortiz Legg also floated the concept of a matching grant program to help get providers more connected with private funding.

Supervisor Moreno tried to bring a focus to the discussion by pointing out the reality of the situation regarding deficit spending and how continuing to spend beyond revenues would just end up costing more, resulting in deeper cuts in the long run.

Supervisor Peshong brought up the current $12 billion shortfall that the State has reported in its May Budget Revise, and mentioned that several sources peg the real shortfall at two or three times that amount. He expressed concern that revenues expected from both state and federal sources may face serious cutbacks.

The discussion wound up with a direction for staff to explore (sttrategic one time) gap funding using reserves. The amount ranged from $1million to $7 million, but seemed to hover most at $2.5 million. Staff will attempt to assemble the garbled directive and offer a preliminary report back at the June 3 meeting.

Below are three graphs and a chart that cover revenue and expendature breakdowns. The first indicates where the county gets revenue, and how much from each source. The chart offers some detail on the various tax revenue sources along with how those sources are performing. The second graph breaks down spending by category.  The last graph illistrates personnel costs.

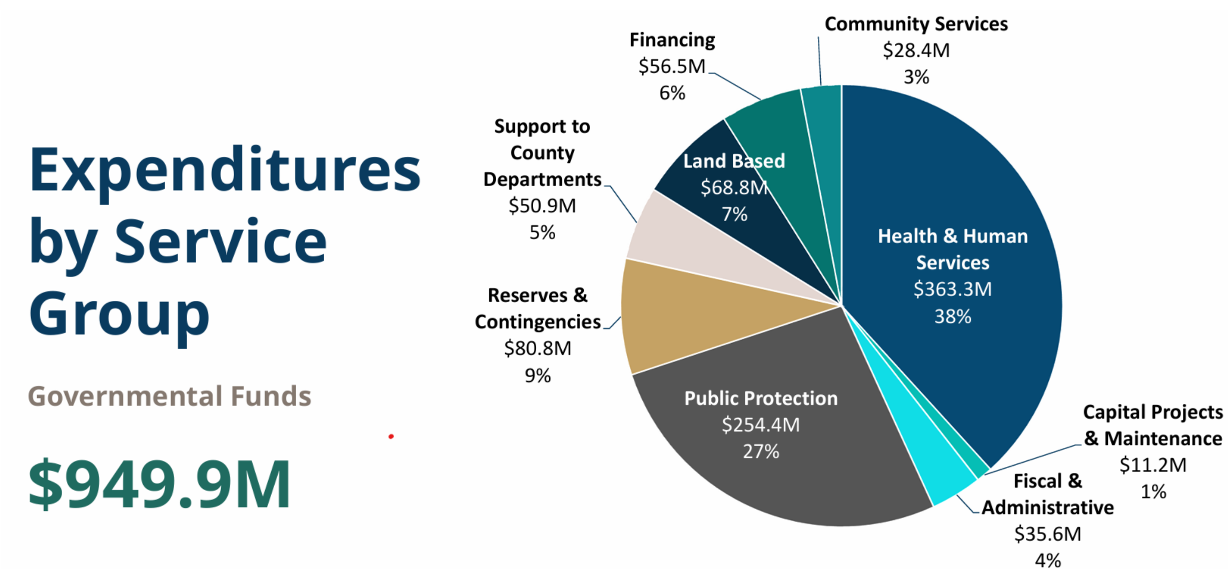



Note the 42% segment of revenue from the State. Sources report Governor Newsom has proposed eleminating funding for many homeless programs in his forthcomming state budget. Its impossible to anticipate the impact to counties.

### Tax Revenue Sources

- **Property Tax** (Including Secured, Unsecured, Supplemental, and In Lieu-VLF) is increasing 5% or $10.5 million for a budgeted amount of $237 million.
- **Unitary Taxes** (the property taxes on utilities such as power plants as well as pipelines throughout the County) are decreasing 36% or $1.5 million for a budgeted amount of $2.6 million.
- **Transient Occupancy Tax (TOT)** (commonly referred to as the bed tax charged on lodging businesses) is increasing 3% or $500,000 county-wide resulting in a budgeted amount of $17 million.
- **Sales and Use Taxes** are decreasing 3% or $500,000 for a total budgeted amount of $16 million
- **Cannabis Related Business Tax** is decreasing 25% or $250,000 for a total budgeted amount of $750,000.

The Unitary Tax referenced above reflectes the reduction in value due to the short term operating license for the Diablo Canyon Nuclear Plant.  A longer term license would add taxible value.

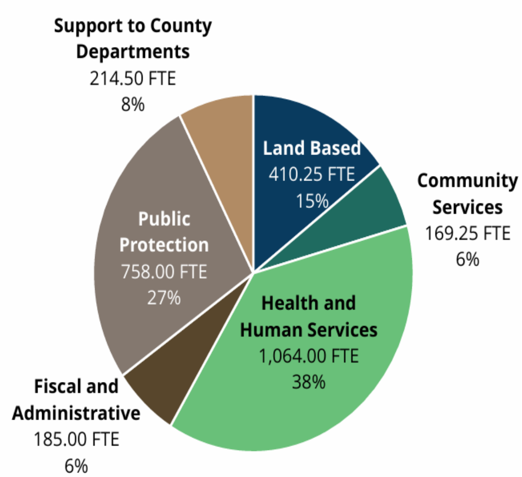



## FY 2025-26 Position Allocation by Service Group

### Allocated Positions (Filled and Vacant)

(*Includes Permanent and Limited Term*)

| Service Group | FY 24-25 Adpt | FY 25-26 Rec | Net Change |
|---|---|---|---|
| Land Based | 423.25 | 410.25 | (13.00) |
| Public Protection | 778.50 | 758.00 | (20.50) |
| Health and Human Services | 1,169.50 | 1,064.00 | (105.50) |
| Community Services | 173.25 | 169.25 | (4.00) |
| Fiscal and Administrative | 194.50 | 185.00 | (9.50) |
| Support to County Departments | 230.00 | 214.50 | (15.50) |
| **Total** | **2,960.00** | **2801.00** | **(168.00)** |



**Next Steps**

The next steps are supplemental items (if any) to be heard on June 3 at the regular BoS meeting, Budget Hearings in the BoS chambers on June 9-11 and final budget adoption in September - with any amendments due to state funding adjustments.

It was also mentioned, although not in a big way, that KPMG has been hired to audit many of the county programs for effeciency and fiscal accountability. It is possible that budgetary adjustments could be made, should duplicity, redunduntancy or lack of productivity be discovered.

**A Few Lingering Questions:**

What if state (and federal) funds are cut back so far that next year's budget is much more dire, or even that this year's budget falls short? How will cuts be administered?

Given the deficet situation with the state, and the dramatic cuts at the federal level, should the current budget proposal just be balanced, or should it have held back a reserve of revenues above spending in anticipation of state and/or federal cuts?

Why are so many service providers just now waking up to the economic reality that the county spends more than in can afford?

Other than the impacted constituancies, does anybody care that the SLO County budget has essentially reached a billion dollars annually?

Why doesn't the county do more to focus on and invest in economic development?

An enormous amount of staff time and reasources went ino developing this budget. Is it wise for the Board to seccond guess those efforts by stepping in with gap funding from the reserve account?

Does anybody care about dipping into the reserve account?

Would a gap funding measure require a super majority vote?

Is the gap funding concept just a set up to make the two conservative Supervisors look bad if/when they vote no on spending reserves?

As careful and thorough as this budget precess has been, will it instil confidence with the public that the Supervisors have been good stewards of taxpayer money, and will that help or hinder any future sales tax increase measures?

## No Sparklers for Oceano

As reported last week, the County Fire Marshall sought to put enforcement practices in place for the countywide (excluding cities) fireworks ban. These measures include deputizing a wide variety of personnel, the posssible use of drones and $1,000 fines along with misdemeener arrests for perpitrators as well as hosts and spectators. The only pushback came from Supervisor Peshong who questioned the severity of the punishment for hosts and spectators. No mention was made of additional punishment for anybody starting fires or causing injury from the illegal use of fireworks.

Supervisor Paulding made a passionate plea for a one-year exemption for Oceano (incorrectly reported last week as Grover Beach). Oceano has allowed Safe and Sane firework sales and use for many years, and several local nonprofits have relyed on revenue from the sales. A community vote last year to shift to county services put them under the county fireworks ban, which was an unintended consequense that they are just now becoming aware of. Paulding asked that the ban be pushed off for one year for Oceano, allowing organizations to make their budgets this year, and plan for alternatives next year. Supervisor Peshong found the request reasonable, but none of their collegues agreed. Request denied with three no votes, but the enforcement proceedures were approved.

## The Bright Ones

One non-controversial item on the agenda was the presentation of The Community Foundation of San Luis Obispo County Richard J.Weyhrich Leadership Scholarship Awards to local students. The recipients backgrounds and leadership traits were very impressive. We can only hope that their leadership and dedication takes us all to a brighter future.

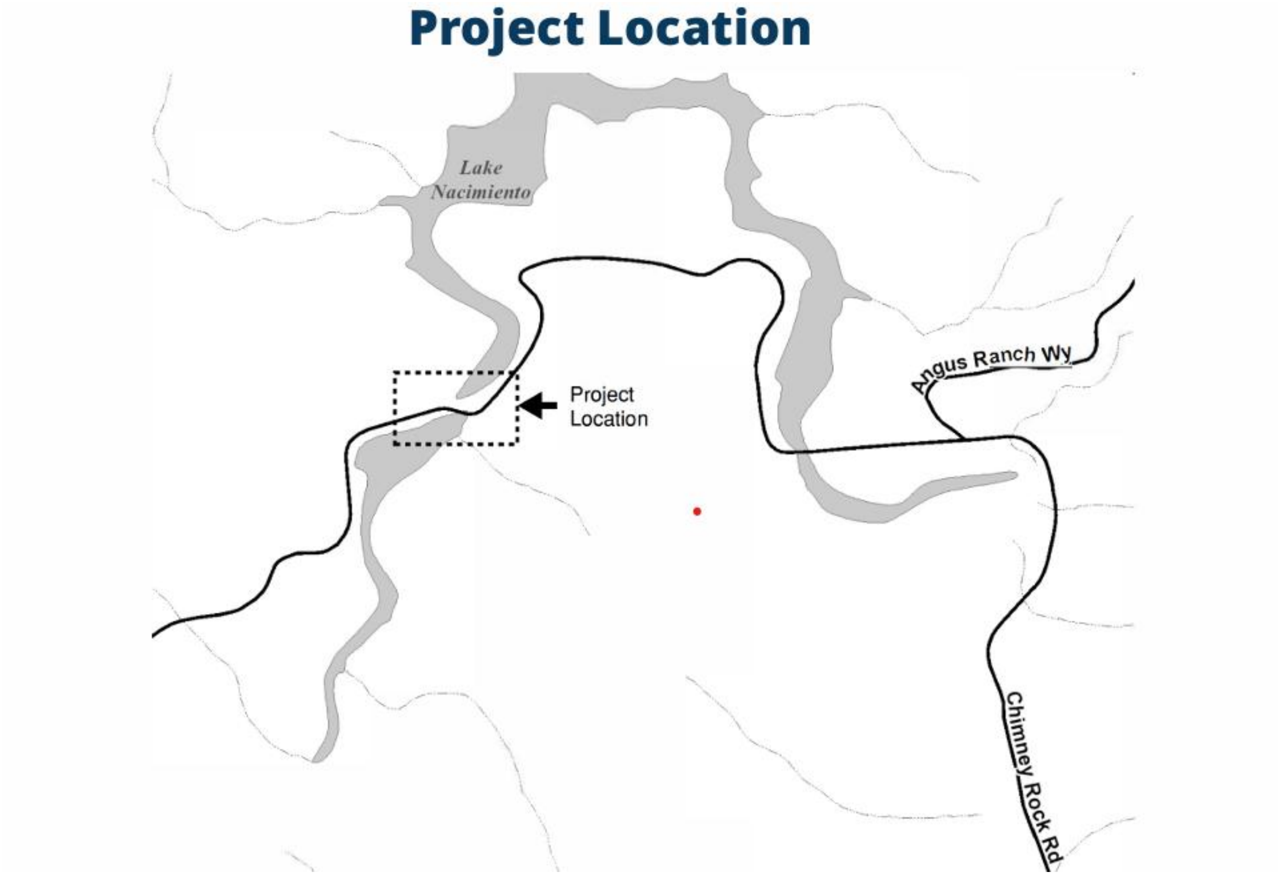
Congratulations to the following students and their families.

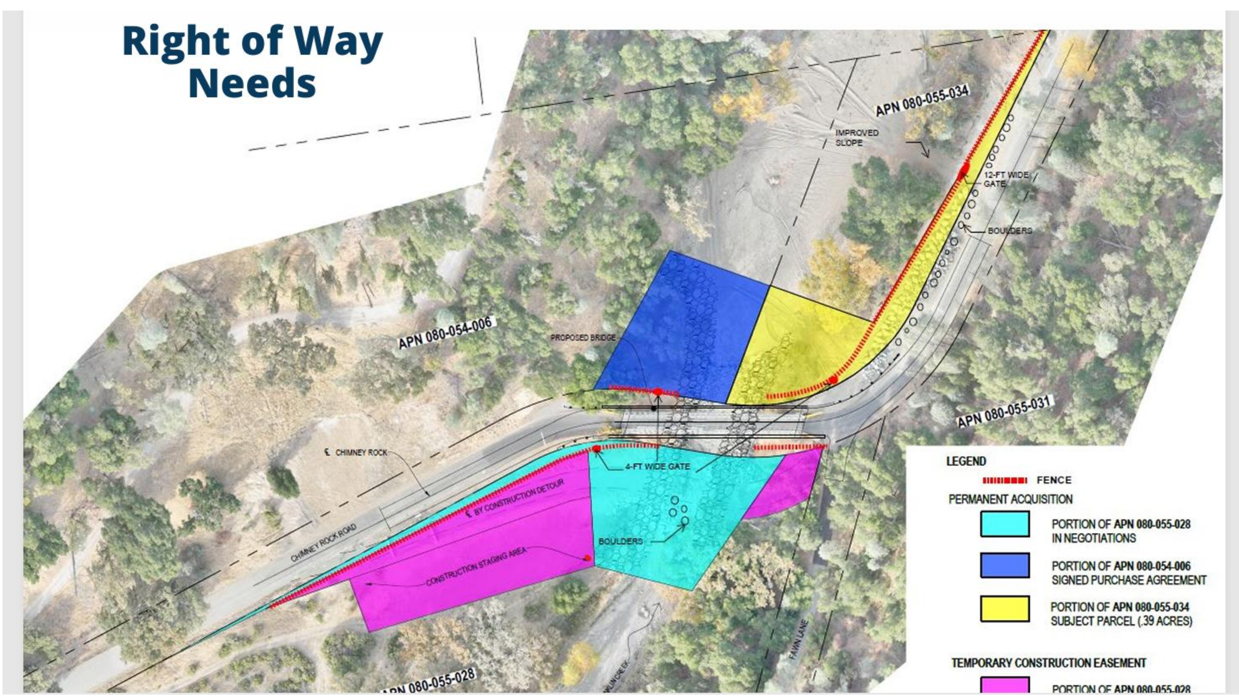
| Student Name | High School Name |
|---|---|
| Nathan Robasciotti | Atascadero High School |
| Keani Neuhs | Templeton High School |
| Emily Giordano | Morro Bay High School |
| Brandon Nguyen | Paso Robles High School |
| Laura Sophia Lagattuta | Mission College Prep |
| Emma Reasner | Central Coast New Tech |
| Banyan Wentzel | Arroyo Grande High School |
| Eliana Garcia | San Luis Obispo High School |
| Sydney Mendoza | Nipomo High School |

# Death and Neccessity

A curious item was presented as number 25 on the agenda. It was a hearing to considder a Resolution of Neccessity to begin eminent domain proceedings for a parcel of land adjoining the Chimney Rock bridge project as illistrated in the map below. The county has obtained three out of the four parcels needed to construct the new permanent bridge.

The one remaining parcel has complications. It has 13 owners, making things a little weird. An Offer of Just Compensation to owners was made on April 11, 2025. All living property owners have stated that they support the project, however several owners are deceased, creating a "cloud" on the title. Without the signatures of all vested owners, the County is unable to acquire the needed real property interest for the project. Therefore, a Resolution of Necessity is needed to obtain possession of the property in time to construct in 2026. With the Resolution of Necessity in place, court proceedings can start for an eminent domain acquisition.




The yellow parcel is the one in question.

What is curious, but was not addressed in the presentation, is that the deceased owners must surely have heirs. No mention was made about support or willingness to sell by those heirs. Hopefully, none of the heirs causes problems. Eminent domain is a process that needs to be conducted with the upmost respect for private property rights. This is a critical part of the bridge project, and we hope it goes smoothly with all parties satisfied and treated fairly.

## Oppose it Anyway!

Supervisor Gibson brought up a mention from the Trump Administration regarding the possibility of increased off-shore oil drilling along the California coast, and requested a letter of opposition from the Board. Supervisor Peshong suggested that the issue was not real, but Gibson prevailed on a 3-2 note to get a letter.

## Pot not a Big Moneymaker

The final action of the Board was to vote to keep the SLO canibis tax at 6%, waiving a scheduled increase in the tax which would have raised it to 8%. It is truly amazing how real world market economics can occaisionally appear – all too briefly – when it comes to certain issues…

**EMERGENT TRENDS - SEE PAGE 18**

## How Many California Counties are Running Budget Deficits?

## Rescuing California Requires Challenging Environmental Cronyism

# COLAB IN DEPTH

SEE PAGE 24

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# Energy Heresy: Why America Must Exit the Green Delusion

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# How Many California Counties are Running Budget Deficits?

*Unlike California cities, the state's counties appear more financially sound – for now?*

By Katy Grimes, May 28, 2025 3:30 am

Earlier this month, the Globe reported that California Governor Gavin Newsom is likely staring down a $10 billion budget hole that could deepen to $20 billion or more. That deficit number is now $12 billion according to the governor. With pending federal budget and DOGE cuts coming, that $12 billion is going to climb exponentially because Gov. Newsom and Democrats rely heavily on federal funding in the state budget.

As the Globe recently reported, California Gov. Gavin Newsom is also bragging that California owns the 4th largest economy in the world. But he leaves out some important details, like poverty, homelessness, crime, taxes, gas prices, housing costs, illegal aliens, welfare recipients, and a $1.5+ trillion total budget deficit, just for starters. And, California is the 1st most regulated state in the U.S. And, California has 15.6% of the nation's unemployed – a third higher than the state's overall share of US population.
And he leaves out just how many of California's cities and counties are running huge budget deficits.

We reported on California's largest cities' budget deficits:
The City of **Los Angeles** has a $1 billion+ city budget deficit,
**San Diego** is over $300 million in debt.
The City of **Sacramento** has a $66 million budget deficit.
**San Francisco** has a $876 million budget deficit.
**San Jose** projected a $60 million budget shortfall, then ratcheted it down to $35.6 million, but is projecting a $52.9 million deficit for 2026.
The City of **Fresno** is facing a budget deficit of over $20 million in the 2026 budget.
**Oakland** is facing a $268 million deficit over the next two fiscal years.
**Berkeley** has a $28M budget deficit.
Now let's look at California's largest counties' budgets and/or deficits.

**Los Angeles County** is the largest county in the state with a population of 9.7 million.
The Recommended Budget is $47.9 Billion for 2025-26. The "$47.9 billion spending plan cuts millions in funding and eliminates hundreds of vacant positions—but does not include layoffs."
LA County has a tentative $4 billion settlement of thousands of childhood sexual assault claims brought under AB 218. The County is facing lower property tax revenue due to declining home sales. And LA County departments are making 3% cuts in their budgets.

Where this budget is going remains to be seen.

**San Diego County**, with a population of 3.3 million, has an $8.6 billion spending plan – $85 million more than the current budget, but according to the San Diego Union Tribune, the projected $138 million operational deficit will be erased. Oh really?

San Diego's one-time COVID-19 funds are also expiring.

As San Diego County Supervisor Jim Desmond reveals, the county spends $5 million in taxpayer dollars earmarked for the legal defense of unauthorized immigrants facing deportation — regardless of their criminal history, and spends $7 million a year so jail inmates can make unlimited free phone calls.

So it sounds as if San Diego County will be making more cuts to actually achieve erasure of the $138 million budget deficit.

**Orange County**, with a population of 3,135,755, claims its "Recommended Budget is balanced with the base budget totaling $10.8 billion, of which $5.4 billion is the General Fund budget with $1.2 billion in General Purpose Revenue to cover the cost of providing County mandated services."

"It is higher than last year," Orange County Supervisor Don Wagner said. "We have enormous new mandates from (the state) legislature to deal with, issues from the court, so it's a frustration. Yes, it's bigger than last year. I won't defend that. But that is in the inevitable way of government budgets everywhere, and I wish we could get handle on it. Everything is more expensive," NBC Los Angeles reported.

**Riverside County,** with a population of nearly 2.5 million, reports that the recommended budget for next fiscal year will be posted online by the end of May 2025. The current budget for Riverside County is $10.19 billion, and may be the easiest, most user-friendly budget to review, with every Riverside County agency and allotted budget listed.

**San Bernardino County,** with a population of nearly 2.2 million, proposes a budget of $10.5 million, touting financial prudence. "For the coming fiscal year, the County aims to continue its proven strategy of prudent budgeting, reduced volatility, and stable community investment while being aware of and prepared for the effects of market fluctuations and federal funding reductions affecting County services and the local economy," County Luther Smoke reported to Supervisors. "Through continued monitoring and careful financial planning, the 2025-26 Recommended Budget continues to mitigate these economic risks by prudently forecasting revenue and investing our sources in one-time needs rather than creating long-term liabilities."

**Sacramento County,** with a population of more than 1.5 million, has a 2025-2026 budget proposal of $8.9 Billion. County Executive David Villanueva explains, "With this year's budget, the County continues to address a longstanding structural imbalance in our budget, which has relied on one-time resources to fund ongoing expenditures."

"This imbalance has resulted from expenditures growing faster than revenues, in part due to costs required to comply with County obligations" (usually state mandates).

"Significant reductions in the General Fund beginning balance in recent years have required service level reductions, and the process of bringing the budget into structural balance will continue to be a multi-year effort to align ongoing revenues with ongoing expenditures and put the County on a path toward fiscal sustainability into the future." Yes, but will the County Supervisors adhere to what the county executive proposes?

Many of the counties haven't finalized their 2025-26 budgets, and at this point are reporting balanced proposed budgets. The Globe will revisit each of the county budgets once they are finalized, and again during the year.

*Editor: the article was updated to correct San Bernardino's proposed budget to $10.5 million.*

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# Rescuing California Requires Challenging Environmental Cronyism

Edward Ring

Director, Water and Energy Policy
California Policy Center

The Speaker of the Assembly in the California state legislature, Robert Rivas, recently said that "California must not fixate on Trump and forget about affordability."

Fat chance. California has been under the absolute control of "progressive liberals" for a generation. It's *their* policies that have made the state unaffordable.

By now, the only people who deny that California's state government policies are hostile toward working families and businesses, small and large, are the people running the state government. California is run by activist state bureaucrats, the unions that are funded by their membership dues, and the politicians that are elected and controlled by these unions. This is a racket. An entirely legal, yet entirely corrupt and self-serving system that is designed to grow government, harass businesses, kill good jobs, assess punitively high taxes, and elevate the cost of living to the point where people either become dependent on government assistance, flee to friendlier states, or are so rich they don't care.

Progressive liberals did this. Progressive liberals own all of it.

The reason this system isn't successfully challenged and broken is because surrounding this core coalition are commercial and nonprofit special interests that benefit from the status quo. A prime example of this is the homeless industrial complex, a network of state and local bureaucracies, subsidized developers of "supportive housing," and "nonprofit" providers of services to the homeless. They have collected tens of billions of dollars from taxpayers to implement demonstrably failed policies, and as California's homeless population continues to grow, they collect additional billions.

But by far the most harmful special interest in California, allied with and benefiting from laws passed by a corrupt state legislature, is what can be broadly described as Environmentalism Incorporated. This is a loosely organized but incredibly powerful network of businesses, litigators, well-funded activist groups, activist judges, lobbyists, PR firms, and captured regulatory agencies and politicians. In the name of protecting the environment, and more recently, fighting the "climate crisis," they now interfere with every imaginable type of economic activity.

This fact, that environmentalist legislation and regulations have harmed California's economy, disproportionately affecting low-income households and small businesses, is not to suggest that environmentalism isn't important. But when it becomes a tool to expand government, harass productive businesses while subsidizing so-called green businesses, and restrict vital economic activity, including home building, farming, ranching, mining, logging, drilling for oil and natural gas, operating refineries, upgrading roads and highways, maintaining a cost-effective shipping infrastructure, or building reservoirs, aqueducts, and water treatment plants, then "environmentalism" must be challenged.

There is no moral imperative used to justify policies in California today that have done more harm to ordinary Californians than environmentalism. It has been corrupted, and it is out of control.

The elected leadership majority in the California Legislature claims they're concerned about the high cost of living and difficulty doing business in the state. But these politicians have no idea how to make California affordable again. The policies they are likely to come up with will only benefit the machine they serve. More subsidized "affordable housing" projects, another attempt at rent control, promises to "investigate" rising energy costs. New ways to regulate refinery and utility profits to prevent "price gouging." More "renewables" to achieve "net zero."

Everything California's progressive liberal politicians propose to supposedly deliver affordability is just an extension of failed policies they've already tried. The result is only to empower quasi-monopolies that can withstand regulatory assaults while destroying businesses that lack the economies of scale required to comply. The result is managed scarcity with higher prices, a situation where the mega-corporations that are left standing take the demand-driven windfall profits from higher prices and split them with the state.

Crony capitalism. Crony environmentalism. Strip away their rhetoric, and that's what "progressive liberal" actually stands for in California.

The foundation of affordability is energy, and California's legislature has made energy scarce and expensive. Shutting down the San Onofre nuclear power plant, decommissioning natural gas-fired generating plants, and driving oil refineries out of business or forcing them to convert to carbon-neutral "biofuel" were the result of policy choices. All of these energy producing assets could have been repaired, retrofitted, or replaced, or even just shut down at a more measured pace. Instead, biased analyses and climate crisis fearmongering were used to pressure these accelerated shutdowns and conversions, which is why Californians pay the highest rates for electricity and have the highest-priced gasoline in the lower 48 states.

With expensive energy, everything else ends up costing more. Businesses and households are impacted directly when their electricity bills go up, but everything else they consume also requires energy, driving those costs up as well. From the cost of pumping and treating water to the cost of gasoline and diesel fuel for shipping, higher costs for energy ripple throughout the economy.

It's not just energy that's scarce, thanks to environmentalist policies. The price of food is elevated because California's farmers no longer get enough irrigation water. The price of housing is elevated because environmentalist restrictions against "sprawl" (in a state that is only 5 percent urbanized) prevent most home building outside of existing cities. The price of lumber and aggregate is elevated because environmentalists have all but destroyed California's timber, milling, and quarrying industries. Everything has to be imported in a state rich in natural resources.

Ultimately, the businesses left in California that need to fight back have to recognize one hard reality. To overcome the overwhelming power of the environmentalist lobby, they have to be willing to challenge the "climate crisis." For at least 20 years, "climate crisis" has been the rhetorical weapon that has been wielded without a serious challenge to its legitimacy. In private, beleaguered business leaders in California almost universally contend that the whole climate movement is based on overhyped theories used to justify policies that are far out of proportion to their urgency.

It is possible to make California affordable again. But what progressive liberal politicians are doing today will not help. They will only expand government and empower the largest, most politically connected corporations and nonprofits. The solution is to assert, without reservations, that today's environmentalism and climate crisis policies are *not* based on "settled science," they are often actually harmful to the environment, and they are not economically sustainable. Only from that premise do genuine reforms become politically possible. Only then can competitive productivity and supply-driven affordability be given back to California's businesses and households.

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May 29, 2025

# Energy Heresy: Why America Must Exit the Green Delusion

By Charlton Allen

For years, Americans were lectured that the "green transition" was inevitable—an article of faith for the elite and a moral commandment for the planet. Wind and solar, they claimed, would replace fossil fuels and deliver us from climate doom.

It became the creed of the coastal clerisy and their bureaucratic disciples.

And they didn't just preach it—they spent a trillion dollars to prove it—delivering blackouts, soaring prices, and virtually no climate impact.

And when their prophecy failed? The zealots of this green theology didn't repent—they proselytized harder. They pushed the apocalypse further down the road, made the forecasts more dire, and demanded even greater sacrifice.

The only thing missing from their utopian gospel? Reality.

Yet, the Biden administration didn't just believe this crisis theology—it tried to govern by it.

What followed was a slow-motion collapse: a trillion-dollar funnel into failure that drove up prices, destabilized the grid, and handed strategic leverage to our enemies.

It was all funded by record-breaking federal spending—with almost nothing to show for it, unless one counts wealth transfers to progressive-aligned environmental oligarchs as "progress."

That era is over. President Trump is now doing what his predecessor refused to do: admit that true energy sovereignty depends on reliability, affordability, and domestic control. None of those virtues were delivered—or even seriously considered—by the green schemers and utopian dreamers who spent four years selling fantasy as a strategy.

**The Green Mirage Shattered**

The Biden years proved a simple truth: intermittent energy cannot sustain a modern nation in the 21st century. Why?

- Wind and solar remain inherently unreliable. They cannot provide baseload power, fluctuate with the weather, and collapse when demand peaks. In other words, they generate power when nature cooperates, not when the nation needs it.
- Battery storage at scale remains a science fiction concept. Even green energy advocates quietly admit it's a decade or more away—if it's achievable at all. In the meantime, we are told to gamble our grid on a future that doesn't exist.
- "Clean" energy isn't clean. Most solar panels and wind turbines are built with rare earths and heavy metals extracted through environmentally abusive

practices—often with slave labor—under the control of the Chinese Communist Party.
- The grid cannot handle full electrification. Even liberal-run California, the flagship for progressive energy policies, is rationing power during heat waves. And that's before factoring in the surging demand from AI expansion, EV mandates, and an exploding demand from hyperscale data centers.

Wind and solar are insufficient to meet current needs—let alone the additional demands of a complete electric transition.

The so-called "green transition" was neither green nor a transition. It was a policy mirage built on coercive mandates, lavish tax subsidies, and magical thinking—a political agenda masquerading as planetary salvation.

And when confronted with its egregious failures, the high priests of green energy offer no course correction—only deeper dogma. They cling to their climate catechism with apocalyptic fervor—never solutions—casting dissenters as heretical deniers.

**Biden Spent Trillions and We Got Fragility**

During his term, Biden committed trillions to green energy subsidies, tax credits, and regulatory schemes. The return? Higher prices, unstable supply, and increased reliance on adversarial regimes.

Biden didn't just overspend—he destabilized America's strategic energy balance.

Taxpayer dollars were funneled into distorting energy markets, subsidizing unreliable sources while punishing proven ones.

The result? Traditional baseload generation declined. Grid vulnerability increased.

Blackouts surged. Prices soared. And working Americans paid the price for elite vanity projects.

Yet, with trillions spent and headlines trumpeting "historic investments," where's the proof? Was energy security strengthened? Were prices lowered for struggling families? Or did the Biden agenda simply finance failure—while America fell behind?

The answer is as damning as it is simple: the administration didn't just fail to deliver—those goals were never the point.

One of the most glaring absurdities of the Biden energy doctrine was its total disregard for scalability. Wind and solar require vast amounts of land to generate modest amounts of power—often hundreds of times more acreage than traditional baseload sources.

Powering a single metropolitan region at scale with so-called “renewables” demands land footprints that are economically and environmentally prohibitive.

Yet the climate cult never addresses this spatial absurdity. They chant “transition” but never explain how—or at what cost.

Meanwhile, EV mandates have distorted the auto market, driving average new vehicle prices to nearly $50,000, while EVs now exceed $59,000—well beyond the reach of most families. Their costly batteries rely on rare earths, which are controlled by China and the Congo, deepening our economic and strategic vulnerability.

This isn’t a transition to sustainability. It’s a forced transfer—of wealth, power, and pain. And it is both economically and morally unsustainable.

**Green Power, Fragile Grid**

Our growing reliance on wind and solar energy has reduced grid flexibility and resilience, increasing the likelihood of large-scale power outages during peak demand or adverse weather conditions.

When intermittent power replaces baseload generation without equivalent backup, failure becomes a design feature—not an accident. Under Biden, we didn’t just spend trillions—we made blackouts more likely.

President Trump recognizes that a secure grid requires dependable, dispatchable power—produced by natural gas, coal, and nuclear—not policies that gamble the nation’s infrastructure on cloud cover and wind forecasts.

Biden’s Green Delusion Was a Strategic Gift to Our Enemies

While President Biden blocked pipelines, froze LNG exports, and choked off federal leasing, America’s adversaries seized the moment to expand their global energy dominance.

- **Russia** financed its brutal war in Ukraine with energy revenues—while Europe, desperate for gas, was denied new American LNG supplies thanks to Biden’s export freeze.
- **China** ramped up coal production even as it exported solar panels manufactured with slave labor and subsidized by Western climate guilt.
- **Iran** cashed in on inflated oil prices, funneling profits into terror networks and regional destabilization across the Middle East.

What Biden sold as climate leadership was, in fact, strategic surrender. His climate-first agenda empowered our enemies, impoverished American families, and jeopardized both our economic strength and national security.

**The Trump Restoration: Real Energy, Real Power**

President Trump returned to office in 2025 with a mandate and a mission: restore American energy dominance, dismantle the green delusion, and unleash the full potential of U.S. industrial strength.

Within days, he lifted the LNG export freeze, reauthorized stalled permits, and began reversing the regulatory overreach that devastated the domestic energy sector. But his agenda reaches deeper—targeting the very architecture of climate statism that held the nation hostage.

Trump's doctrine is rooted in a truth the Biden administration never grasped:

*You cannot lead the free world while rationing energy at home.*

**Energy Is Power—and America Is Taking It Back**

The left insists the future belongs to wind, solar, and sacrifice.

They're wrong.

The future belongs to nations that can fuel themselves—and their allies.

To countries that are self-sufficient, not tethered to transoceanic supply chains controlled by adversaries.

To leaders who understand that solar panels from Xinjiang and wind farms that fail are not strategic assets.

America cannot run on radical energy orthodoxy that produces less power and more power failures.

Under President Trump, it doesn't have to—and it won't.

***Charlton Allen is an attorney and former chief executive officer and chief judicial officer of the North Carolina Industrial Commission. He is founder of the Madison Center for Law & Liberty, Inc., editor of The American Salient, and host of the Modern Federalist podcast. X: @CharltonAllenNC***

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