



**COLAB**  
San Luis Obispo County

The Coalition of Labor Agriculture and Business

**Weekly Update**  
**March 16 - 23, 2026**

There is an unintended theme to this week's update: Where do we draw a line? How much is too much and what does it take to get more people to engage?

Our County Supervisors are spending a billion taxpayer dollars in the county budget. Are you comfortable with the priorities and amounts?

Regardless of the outcomes, our County Board of Supervisors will change the way they do business after this election. Are you engaging to assist the candidate you think will do the best job?

We are getting great news on homeless populations, but are you comfortable with the cost?

PRAGA continues to do the same nothing it has been doing over the past few years while spending several millions of taxpayer dollars. Are you happy with more of the same?

The City of San Luis Obispo seems to be going off the rails. Will their antics spread to neighboring cities? Are you cool with that?



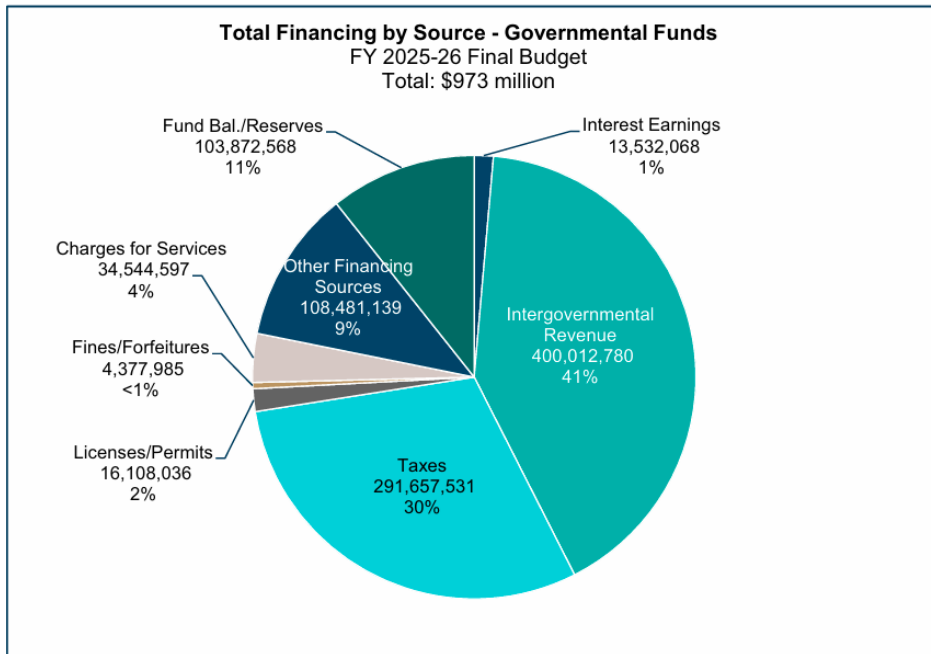
The only way to bring about change is to get involved. Even a tiny bit of engagement can make a big difference. Find something you can say, or someone you can support. Keep your efforts focused on positive solutions. Give some time and/or financial support. Don't let election time come and go without playing a role.

## **New Budget: Details and Questions**

The first real preview of the '26/'27 fiscal year budget was presented at the March 10 San Luis Obispo County Board of Supervisors meeting. While it didn't seem to forecast any significant financial difficulties, the report was carefully worded to remind everyone about the potential for impacts from the state budget as well as impacts from HR.1, the One Big Beautiful Bill.

The stability and reliability of the state budget has come into question because of a recent report by the Legislative Analyst Office which found the state to be nearly \$18 billion short. The HR 1 concern is that it could drop some people from Medicaid resulting in a heavier load for county services.

Here is a graphic illustrating the funding sources for our county. Intergovernmental Revenue is primarily state and federal funding – sometimes programmatic passthrough and sometimes via grants.



The following eight items are pointed out as notable issues with the current budget. The figure on the right is how much over budget the particular agency is projected to be.

<b>Information Technology</b>	❖ negotiated salary increases, employee payouts, temporary help for the ERP Project	\$385,013
	❖ lower reimbursement revenues for use of County communications towers	
<b>Health Agency - Behavioral Health</b>	❖ increased costs of Out-of-County placements, Institutions for Mental Disease, Board & Care, Aegis services	\$29,863
	❖ revenue shortfall	
<b>Sheriff-Coroner - Law Enforcement Health Care</b>	❖ negotiated salary increases	\$105,008
<b>Veterans Services</b>	❖ negotiated salary increases	\$19,962

<b>Parks-Community Parks</b>	❖ low Cayucos Vets Hall rental revenue	\$188,552
	❖ services and supplies over expenditures	
<b>Parks-Regional Parks</b>	❖ low camping reservation fees collected	\$0
	❖ services and supplies over expenditures	
<b>District Attorney</b>	❖ negotiated salary increases	\$479,121
	❖ revenue shortfall	
<b>Sheriff-Coroner</b>	❖ low cannabis revenue, reduced Opioid funds, depletion of the trial court trust, decreased federal immigration funding	\$1,424,426

The following graph shows a comparison between the last budget and the current fiscal year budget.

**Expense and Revenue Comparison**

	2 <sup>nd</sup> Quarter FY 2024-25	2 <sup>nd</sup> Quarter FY 2025-26
<b>Governmental Funds:</b>		
Expenditures	33%	33%
Revenue	30%	33%
<b>General Fund:</b>		
Expenditures	36%	38%
Revenue	33%	34%

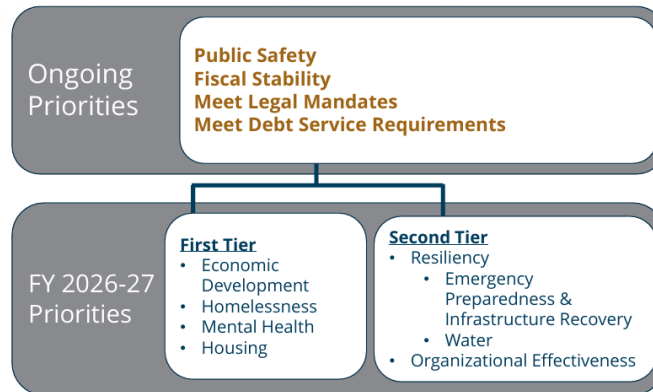
The March 10 presentation focused on the General Fund portion of the budget and began with an outline of the priorities and Financial Rebalancing and Resilience Initiative considerations.

The initiative was put in place last year as the county was facing economic turmoil due to expenses outpacing revenues. The initiative resulted in nearly \$35 million in cuts and numerous personnel reductions via cancellation of open positions. It is designed to improve efficiency and accountability.

It is often overlooked that despite the cuts last year, the overall county budget grew by 9% over the previous year.

Budgeting priorities are listed in the graphic below. Note that of the four “Ongoing Priorities” listed, the last three are mandated by law. Counties are required by law to have a balanced budget. They are required by law to meet mandates as well as pay their debts. It is kind of like making paying your taxes a priority...

In the “first-tier category”, economic development gets a new position. Transportation continues to be ignored.



The almost identical graph from the last budget cycle illustrates a rearrangement of the deck chairs on what we hope doesn't become a fiscal Titanic.

**FY 2025-26 Board Priorities**



The following graph illustrates the current fiscal year general fund revenues and expenditures compared to anticipated revenues and expenditures for the coming year budget.

# FY 2026-27 General Fund Budget (Baseline)

November Forecast = GAP Range of \$4-\$11 million

**Baseline Surplus = \$13.6 million** (not accounting for Add-Back Requests totaling \$14.5 M)

FY 2026-27 General Fund Budget	FY 2025-26 Budget	FY 2026-27 Baseline
Total Financing Sources (revenues)	\$817.9M	\$825.5M
Total Financing Uses (expenditures)	\$817.9M	\$811.9M
<b>Total General Fund (if - gap, if + surplus)</b>	<b>\$0</b>	<b>\$13.6M</b>

The overall budget authorizes a Governmental Funds category which features core government services and programs funded by specific revenue sources. We have yet to see the additional funds that will round the budget out to somewhere in the \$1 billion range. Below is a chart illustrating all of the funding categories that make the overall budget for the current '25/'26 fiscal year.

**Summary of Governmental Funds – Authorized Funding Levels**

Fund	FY 2024-25 Adopted	FY 2025-26 Recommended	Change from FY 2024-25	% Inc/Dec
General Fund	756,759,220	810,624,898	53,865,678	7%
Capital Projects	7,517,653	7,766,400	248,747	3%
Homeless Services and Affordable Housing	10,673,988	11,715,612	1,041,624	10%
Debt Service	8,296,172	8,281,091	-15,081	0%
Driving Under the Influence	47,932	0	-47,932	-100%
Emergency Medical Services	575,767	577,267	1,500	0%
Fish and Game	38,871	34,429	-4,442	-11%
General Government Building Replacement	3,882,437	6,603,553	2,721,116	70%
Countywide Automation Replacement	5,908,270	7,500,000	1,591,730	27%
Library	15,892,568	13,886,838	-2,005,730	-13%
Pension Obligation Bonds	16,509,396	12,217,200	-4,292,196	-26%
Public Facility Fees	2,243,769	1,654,414	-589,355	-26%
Regional Parks	7,621,481	7,595,885	-25,596	0%
Roads	34,330,578	34,168,077	-162,501	0%
Roads - Impact Fees	1,409,002	624,200	-784,802	-56%
Tax Reduction Reserve	0	26,609,305	26,609,305	N/A
Wildlife and Grazing	7,880	12,080	4,200	53%
<b>Total</b>	<b>871,714,985</b>	<b>949,871,250</b>	<b>78,156,265</b>	<b>9%</b>

The baselines were established as conceptual minimum funding and do not truly reflect the requested operating amounts from most county departments. The graphs below illustrate Add Back Requests (ABRs) by departments that each respectively determine as necessary to operate at current levels. ABRs are made up

of challenges to current spending reduction proposals in order restore areas of current levels. Budget Augmentation Requests (BARs) are additions to current spending levels.

### DEPARTMENT REQUESTS

Add-Back Requests (ABRs) & Budget Augmentation Requests (BARs)

	ABRs	BARs
Number Submitted	66	65
Expense	\$14.4M	\$13.8M
Revenue	-\$0.16M	\$3.6M
General Fund Support	\$14.5M	\$10.3M
Positions (FTE)	39.00 FTE	44.00 FTE

The following graph illustrates the possible impact of ABRs and BARs on the forthcoming budget and the next graph breaks out the ARBs and BARs by department:

### General Fund position – FY 2026-27 (Preliminary)

Category	Nature of Request	Amount (\$M)	Running Balance (\$M) (+Surplus / -Deficit)
Baseline Budget	Result of revised framework	13.6	13.6
Add-Back Requests (ABRs)	Restoration of reduced positions / services	(14.5)	(0.9)
Budget Augmentation Requests (BARs)	New or expanded General Fund Support (program growth pressure)	(10.3)	(11.2)

### General Fund Support by Service Group (FY 2025-26 Adopted vs. FY 2026-27 Baseline)

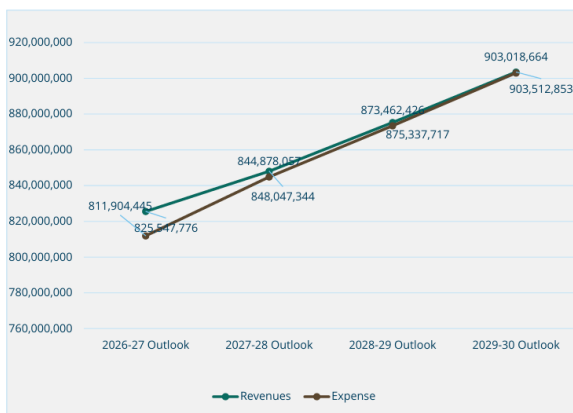
SERVICE GROUP	FY 2025-26 ADOPTED GFS (\$M)	FY 2026-27 BASELINE GFS (\$M)	ABRS (\$M)	BARs (\$M)
Land Based	\$22.8	\$22.2	\$0.04	\$4.3
Public Protection*	\$160.1	\$158.8	\$6.3	\$3.5
Health and Human Services	\$61.4	\$53.4	\$4.1	\$1.1
Community Services	\$7.3	\$7.7	\$1.9	\$0.2
Fiscal and Administrative	\$30.1	\$29.8	\$0.5	\$0.2
Support to County Departments	\$40.8	\$44.0	\$1.0	\$1.0
Capital and Maintenance	\$10.5	\$10.5	\$0.0	\$0.0

\*Adjusted to include amount placed into the Fire Equipment Designation

It's interesting to note the asterisk next to Public Protection in the above graph. It mentions an amount placed into the Fire Equipment Designation. There is no explanation beyond that, but we hope that this does not indicate a potential budget cut to the rest of public protection services because additional fire equipment funds were added. Extra fire equipment should not come at a cost of Sheriff or District Attorney services.

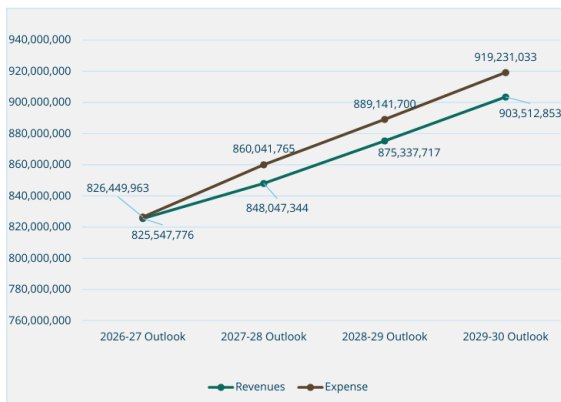
The next two graphs anticipate the long-term financial picture for the county budget if it were to continue with the conceptual baseline verses if it were to adopt the anticipated ABRs:

### Financial Forecast Scenario 1: No Add Back Requests are Approved



	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Revenues	825,547,776	848,047,344	875,337,717	903,512,853
Expense	811,904,445	844,878,057	873,462,426	903,018,664
Surplus/Deficit	13,643,331	3,169,287	1,875,291	494,189

### Financial Forecast Scenario 2: All Add Back Requests are Approved



	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Revenues	825,547,776	848,047,344	875,337,717	903,512,853
Expense	826,449,963	860,041,765	889,141,700	919,231,033
Surplus/Deficit	-902,187	-11,994,421	-13,803,983	-15,718,180

The Next Steps shown below include three which have already taken place. The CEO review is currently underway. The CEO will undoubtedly review all ABRs and BARs to determine which should get higher priority.

## Next Steps...

- ✓ Early Dec      Budget Kickoff
- ✓ Jan              Budget Goals & Policies
- ✓ Dec – Jan      Departments Prepare & Submit Budgets
  
- Feb – Apr      CEO review & compilation
- May 19         Introduce Recommended Budget
- June 8-10      Budget Hearing

Supervisors will be getting a great deal of pressure from county departments and service providers for more dollars. It would be wise for those making such requests to realize that the pie isn't getting any bigger. Service providers requesting a larger slice should quantify how much less of a slice others should be expected to accept.

## Who Gets Your Vote?

Last week we featured a story about the on-line debate between 2<sup>nd</sup> district Supervisorial candidates Jim Dantona and Michael Erin Woody. Unfortunately, we got Mr. Woody's name wrong. We apologize.

Below is a link to his campaign, and while we are at it, we have included a link to Mr. Dantona's campaign as well as the two candidates running in the 4<sup>th</sup> district; Jimmy Paulding and Adam Verdin.

The outcome of these races has the potential to bring profound changes to the way the County of San Luis Obispo is governed. The races could be very close.

Grassroots support will be a factor as will fundraising. We encourage everyone to follow the races closely and get involved.

[Woody for Supervisor](https://www.woodyforsupervisor.com) <https://www.woodyforsupervisor.com>

[Jim Dantona for SLO County Supervisor](https://jimdantona.com): <https://jimdantona.com>

[Jimmy Paulding - District 4 County Supervisor](https://jimmypaulding.org): <https://jimmypaulding.org>

[Adam Verdin for Supervisor](https://verdiforspervisor.com): <https://verdiforspervisor.com>

We have seen some incredibly close races in recent campaigns around our county. It is sad and frustrating watching a candidate that you support lose by just a few votes. Especially when an afternoon of knocking on doors or a modest check to buy a couple more radio ads might have made the difference – and you did neither.

Candidates also need help in their headquarters stuffing envelopes or making phone calls. They appreciate small neighborhood gatherings where you invite 20 or so people over for refreshments and casual discussion with the candidate. And don't think that you need to live in the district to help. These races will impact everyone throughout the county. So please dedicate a little time and/or financial support to get your choice elected.

## **Good Trend for Homeless Count**

Item 29 on the March 10 agenda read:

Request to 1) Receive and file a report on progress of County's Five-Year Plan to Reduce Homelessness; 2) Approve the Regional Homelessness and Affordable Housing Compact with the cities of Arroyo Grande, Atascadero, Grover Beach, Morro Bay, Paso Robles, Pismo Beach, and San Luis Obispo; and 3) Provide direction as needed. (Social Services).

The report was full of good news regarding reductions in homeless individuals and increases in successfully placing such people into homes. More housing is coming on line and fewer people are on the street.

We applaud the efforts that have brought such success. However, there is an undercurrent that needs to be fully examined,

At the conclusion of the county staff report, Supervisor Peschong inquired about total county spending on all the various homeless programs. It was a fair question and deserves a straightforward answer. Staff was unable to quantify the spending that has brought about such success.

To be sure, many of the homeless service programs have improved over the years. Their practices have become more refined and they have learned what works and what doesn't. Collaboration among different service providers is paying off. In short, they are becoming good at what they do.

Unfortunately, the dedicated folks that are doing such a great job running homeless programs don't seem to be very good at accountability.

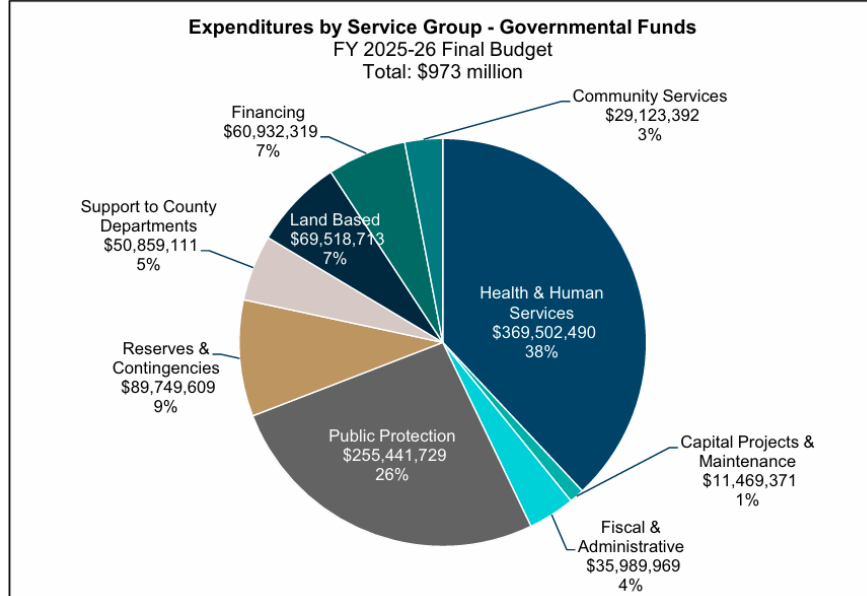
Our society simply cannot afford to have these programs run on unlimited funds. When we get a report on the County's Five-Year Plan to Reduce Homelessness, it should include a comprehensive report on the cost of the plan. We should have information on what various programs cost, and which are more successful. We should have an idea of where the point of diminishing returns occurs - including a warning when we are getting close.

Treating the homeless issue is not a one size fits all formula. There are many different causes for homelessness, and many more methods to reduce the homeless population. They all involve a level of compassion, but also of responsibility for spending other people's money. It is only fair to the taxpayers that are paying for those many programs to have an idea of how much they are being asked to provide.

Does it cost \$1,000, \$10,000, \$100,000 per person? Maybe more?

In the presentation, the figure of \$13.6 million is mentioned. However, that amount does not represent the total spending for homeless programs by the county. And to be clear, grants from state or federal sources are also taxpayer dollars.

Below is a breakdown of the current fiscal year operating budget by department.



With \$369,000,000 (yes- that is 369 million) going to Health and Human Services, we know that a large part of that is for homeless services. Why didn't the report cover this in some detail?

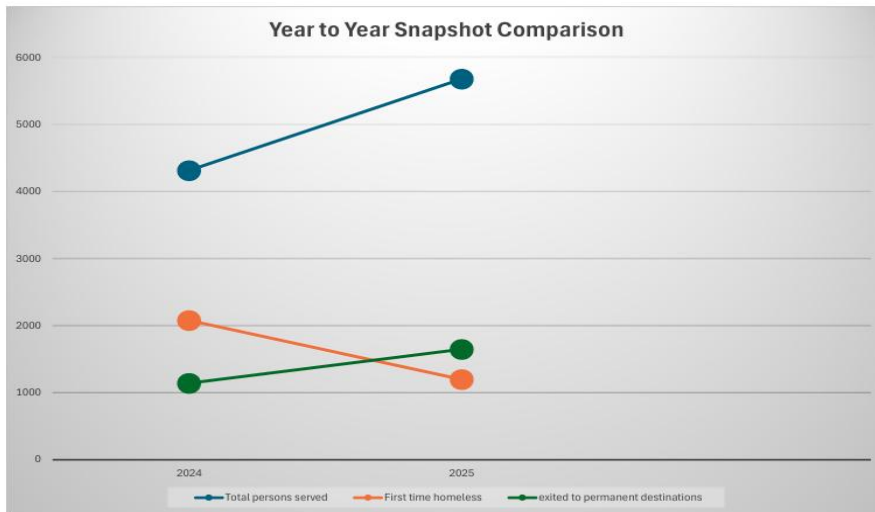
County staff made it clear many times throughout their presentation that the success that they are experiencing will not be sustained without strong funding. It might be worth their while to provide an accounting that relates to the real costs of the programs and what those costs produce. The coming budget will be very tight, and these questions will come up.

Below is a summary of (most of) the key points of the presentation:

**System Snapshot: Calendar Year 2025**

- 5,676 Individuals served in HMIS participating programs
- 1,195 Individuals experiencing homelessness for the first time
- 1,646 Individuals exited to permanent destinations
- \$13.6M in funding awarded in FY 25/26:
  - \$8.9M for homeless services programs
  - \$3.9M for affordable housing & PSH projects
  - \$752K for public facilities

The following graph also illustrates the good trend developing with homeless programs in the county:



- 31.7% increase in the number of persons served
- 42.5% decrease in first time homelessness
- 44.4% increase in exits to permanent housing

We hope that the success rate continues and that we see an effort of greater accountability with finances.

## The PRAGA Saga Continues

The Paso Robles Area Groundwater Authority held a “feedback session” for fee options on March 12 to outline its next steps towards charging the Paso Robles groundwater basin over layers to fund a theoretical sustainability program. It appears that they are pursuing a Prop 26 fee structure. Beyond that, details are very vague.

The critical point of their efforts is establishing a service for which they are entitled to charge such a fee. Without a provided service, the charge becomes a tax.

PRAGA is suggesting that keeping their organization running is a service. They estimate that “keeping the lights on” will cost around \$1.1 million annually. This covers the management fee for... managing? It also covers the consultant’s fee for consulting and it covers public outreach. There are also insurance costs.

For over a million dollars, the basin gets to have a report filed with the state annually. It's unclear what additional efforts are dedicated to sustainability, but Prop 26 prohibits funds from being used for capital projects.

One interesting twist is how they will address di minimis users. There is a tendency to not charge such users because they consume very little, and tend to return most of what they do use. These are typically households or small family farms subsidizing on their own private well water.

However, if a fee is charged to some for the benefit of just having PRAGA bless the over layer community with its presence, how can they exclude others who may also be basking in such a wonderful atmosphere?

As we keep saying, the lack of public trust regarding this issue is so overwhelming that it's highly unlikely that over layers will accept such a fee without a fight. It's efforts such as this that has destroyed faith in the PRAGA leadership. Charging a "fee" to do practically nothing is outrageous. It is even more outrageous that they may try to base rates on last year consumption – not on current consumption.



## Paso Robles Area Groundwater Authority

Whatever justification PRAGA comes up with for charging fees, it seems quite possible that it will be challenged. Once again, we could see a court battle, or referendum or some other form of pushback – all because the PRAGA saga is a story of heavy-handed overreach. It won't change until PRAGA changes.

The next PRAGA meeting is scheduled for Wednesday, March 25<sup>th</sup>. The PRAGA board will be presented with a budget for the next fiscal year and fee structuring options from "gathered feedback". This presents a great opportunity for members of the public to watch what is going on and to engage.

## Private Property Rights in the Wind

Frequent readers will recall a couple recent pieces regarding San Luis Obispo (city) plans to establish a rental registry which could easily morph into rent control. Now the city has taken up a new concept towards building permits. Some would call it a “taking” while others might use the term “pay to play”. Some might even use more criminal terms to describe the proposed “deal”.



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From what we know, three builders have teamed up to do a project in SLO to provide more housing in the city. They have an old, dilapidated house on a large lot and wish to demolish the old house. They then wish to build four single family structures and four Additional Dwelling Units (ADUs).

The city is requesting that the builders give the city one ADU as a condition of the building permit. Apparently, the city wants to sell the ADU at a steep discount as part of their affordable housing program.

Can city staff (or leadership) really think that such a plan somehow makes housing more affordable? How could they possibly think such a request could be legal?



Imagine if the city had similar requirements for other businesses – the Apple Store would need to give the city one MacBook for every seven sold, or Firestone Grill would need to provide tri-tip sandwiches. How about the car dealers on LOVR?

It would be comical if it wasn't true how many politicians in our community preach about the high cost of housing while at the very same time contribute to such high costs.

Fortunately, the Pacific Legal Foundation has taken the case and will be litigating it on many levels. The PLF is known for many private property victories and serves as a cornerstone for common sense.



Here is how they describe themselves: “Pacific Legal Foundation is a national public interest law firm that defends Americans from government overreach and abuse. We sue the government when it violates your constitutional rights—and we win.”

You can learn more about PLF here: <https://pacificlegal.org>

**The COLAB Annual Dinner is next  
week!!!**

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COLABSLO.ORG**

## **Last Week**

After four weeks without a meeting the San Luis Obispo County Board of Supervisors will get back to business on March 10 with a very full agenda. Among the 34 items for consideration are departmental organization matters and budget reports. Following this meeting there will only be six more before the budget process takes place. This means we can anticipate some pretty heavy agendas over the next few months.

### **Healthy Reorganization**

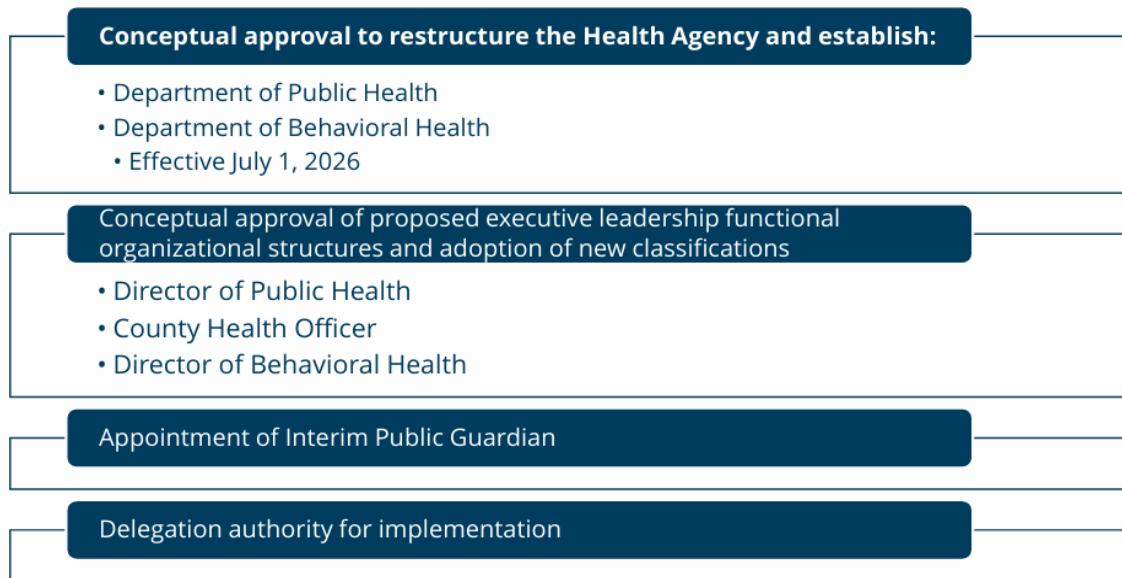
One of the biggest action items for the Board of Supervisors in a long time is a reorganization proposal that is coming up this week at the Board of Supervisors meeting.

Listed as the last agenda item of the day, number 32 reads: “Request to 1) receive a presentation from the County Executive Office and authorize the Chief Executive Officer (CEO), or designee, to proceed with the steps necessary to conceptually implement the restructuring of the Health Agency and creation of the Department of Behavioral Health and the Department of Public Health, effective July 1, 2026, and provide staff direction as necessary; 2) Conceptually approve the proposed executive leadership functional organizational structures for the Department of Behavioral Health and the Department of Public Health; 3) Adopt a resolution establishing the new executive classifications, salary range, and bargaining unit placement for the Director of Behavioral Health, Director of Public Health, and County Health Officer; 4) Receive and file an update regarding the appointment of Interim Health Agency Director and Interim Behavioral Health Administrator; 5) Approve the appointment of Kristin Ventresca as the Interim Public Guardian; and 6) Delegate authority to the CEO and the Human Resources Director, or their designees, to take the necessary administrative actions to implement the approved

organizational changes, including finalizing and refining the organizational charts, consistent with Board direction. (Executive Office)”

While it may seem complicated, this reform is something COLAB has advocated for many years. This proposal brings greater accountability and efficiency while eliminating redundancy. Taxpayers benefit by knowing that their money is spent wisely. Employees benefit by having a more defined mission. Clients of the health system benefit by experiencing a service better designed to meet their specific needs. Here is the proposal overview:

## Overview: Proposed Health Agency Restructuring



Here are the main objectives:

## Executive Office Review



Diffused accountability across peer leaders



Complicated decision-making structure



Increased Executive Office operational intervention



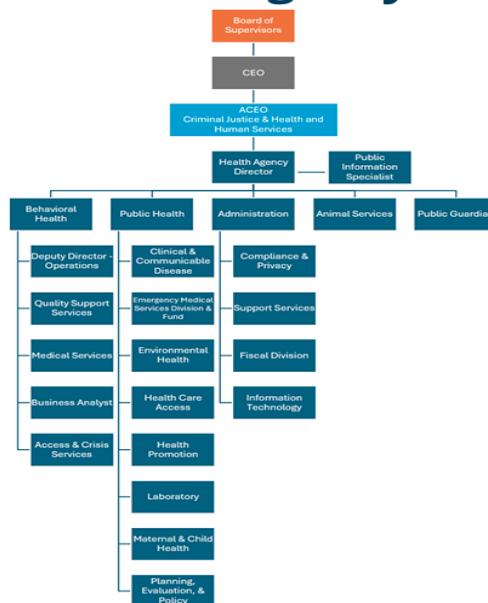
Barriers to fiscal stewardship & performance improvement



Ability to implement independent management audit recommendations

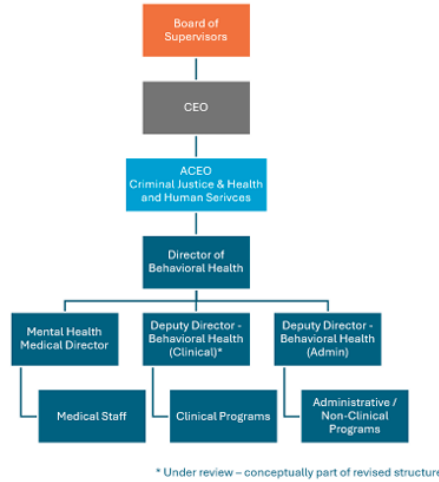
A quick look at the current organizational chart for the County Health Agency reveals an overly complicated structure.

## Current Health Agency Structure

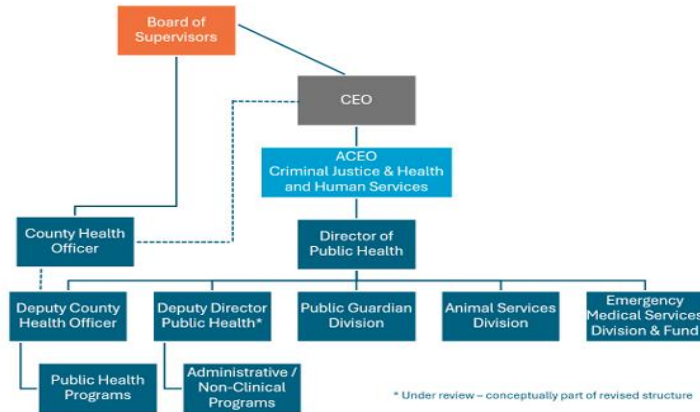


Managing both regular and behavioral health within one department must be a cumbersome nightmare. The proposed reorganization is designed to give each category the leadership and decision-making process that it deserves. Here are the proposed structures:

## Department of Behavioral Health



## Department of Public Health



Here is a summary of the request and a proposed transition timeline if the measure is approved:

## Requested Board Actions

1. Conceptually approve reorganization of the Health Agency
2. Conceptually approve proposed executive leadership functional organizational structures
3. Adopt resolution establishing executive classifications & salary ranges
4. Receive and file interim leadership update
5. Appoint Kristin Ventresca as Interim Public Guardian
6. Delegate authority to CEO & HR Director to implement administrative changes

## Transition Plan & Timeline



### Through June 30, 2026

Current reporting structures remain  
Interim leadership assignments in place  
Recruitments for new classifications



### Prior to July 1, 2026

Return with County Code amendments  
Process position changes in FY 2026–27 Budget



### Effective July 1, 2026

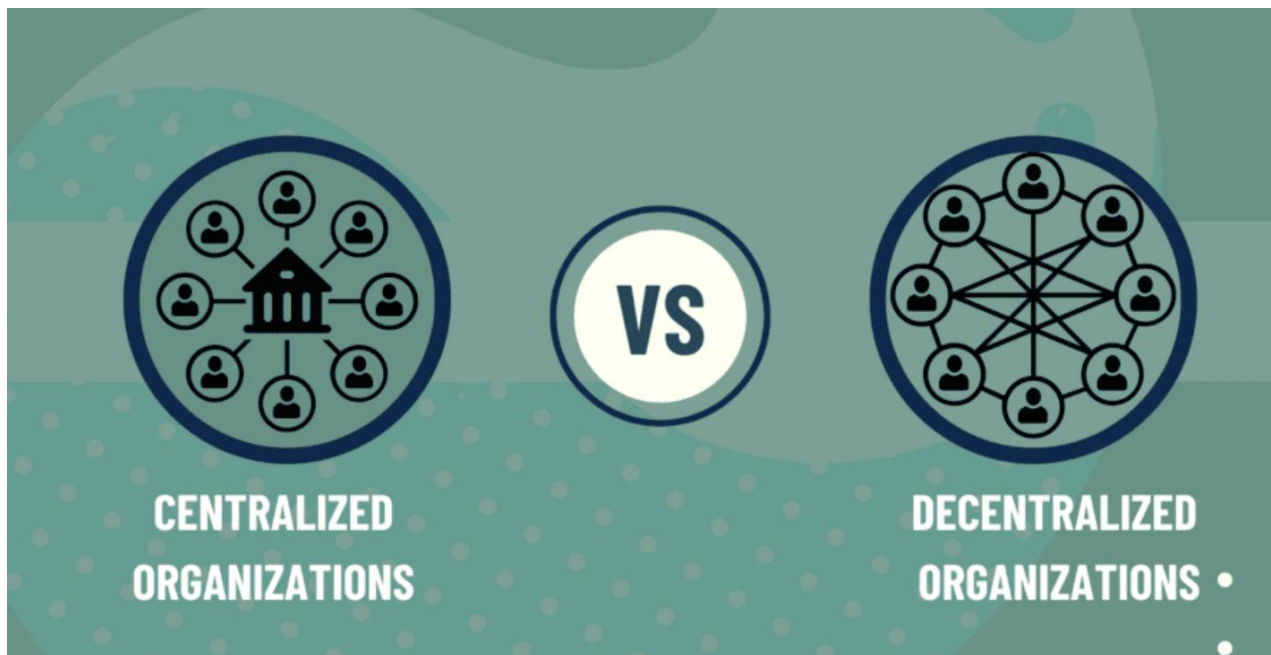
Departments formally established

It is unclear whether this proposal is a direct result of the KPMG audits that were done on the Health Department last year. It's also unclear how the board will react to such a reorganization. However, if we're going to find efficiencies in this county, it's going to take some serious thought to the way we're spending resources. This proposal is an excellent example of how we can trim up the organization, do more with what we have, and do it by spending less taxpayer money.

## Tidying Up the System

Item I on the agenda reads: Hearing to consider an ordinance amending Chapters 2.11 and 2.36 of the San Luis Obispo County Code related to the organizational transition of moving the Central Services Department into the County Executive Office.

This measure essentially affirms the powers that a County Executive Officer should have in order to conduct the business of the county by establishing a central services office.



It calls for the CEO to supervise and evaluate the performance of assigned staff and oversee all personnel matters, including hiring, reassignments, discipline and separation of employees as appropriate. As well as to act as the purchasing agent,

plan, organize, and direct the activities of the central services office including but not limited to fleet services, purchasing and property management.

These steps are consistent with the goals of the Board of Supervisors when they chose to elevate Matt Pontes from Chief Administrative Officer to Chief Executive Officer. With the new system, departments report directly to the CEO, creating a clarity of mission as well as improved accountability.

The actions outlined in this measure align with the greater responsibility assigned to the CEO. Interestingly, Supervisor Bruce Gibson has been reluctant to support the shift to a CEO system. Apparently, he is uncomfortable with the level of authority bestowed on the CEO and prefers a more decentralized system. His reaction to this agenda item could be interesting.

## **One Fee Goes Down**

It's rare that any kind of cost of government goes down. Whether bridge tolls, dog licenses, parking tickets or income taxes, they all seem to increase regularly. Even postage stamp costs increase regularly.

So, when the San Luis Obispo County decreases a fee for the cannabis industry, it seems odd.

In fact, part of the fee that has been charged included a California Cannabis Association (CCA) membership, and since that organization has been disbanded, the portion of the fee that covered that membership needs to be refunded and future fees reduced to no longer charge for a service no longer provided.

As a reminder, here is the definition of a fee:



**a : a fixed charge**

**b : a sum paid or charged for a service**

According to item 3 on the Board of Supervisors agenda, “The Auditor-Controller has certified to this Board that the overhead rates are calculated in accordance with accounting standards set by the Federal a Government's Office of Management and Budget, in accordance with Title 2 in the Code of Federal Regulations (2 CFR), Subtitle A, Chapter II, part 225

In order to maintain consistency with the County’s cost-recovery principles, the FY 2025-26 Cannabis Tax Compliance Program fee should be reduced to exclude the component attributable to California Cannabis Association (CCA) membership since the CCA’s dissolution on December 31, 2025.”

The Auditor-Controller-Treasurer-Tax Collector is authorized to issue partial refunds of the CCA fee component (\$1,045 per license) to any cannabis license holders who paid the full \$4,324 fee for licenses renewed between July 1, 2025, and December 31, 2025; and B. The Auditor-Controller-Treasurer-Tax Collector is authorized to issue refunds of the CCA fee component (\$2,090 per license) to any cannabis license holders who paid the full \$4,324 fee for licenses renewed on or after January 1, 2026.

Fee Detail					FY 2025-26 FEE SCHEDULE		Fee Detail
Fee Indicator #	Fee Category	Fee Description	Board Discretion Type	Authority	Fee Amount	Unit Desc.	Fee Detail
4000		<b>Specific License Fee:</b>					
4006	Decreased	Cannabis Tax Compliance Program	Partial	BL Ord. 6.00.005 & 6.12.04 & 6.90	\$2,234.00	each	Footnote # 1 and Footnote #13

**Department Name:** Auditor-Controller-Treasurer-Tax Collector  
**Fund Center:** 117

Footnote #	Footnote Narrative
1	The department reviewed the time studies, pertinent code sections, and reasonableness of the current fees. Direct costs have been added where applicable.
13	The fee recovers the costs of operating the County Cannabis Tax Compliance Program. The costs recovered include TTC Division and AC Division staff time, and the costs conducting cannabis tax audits. Per Board direction, these costs are to be passed on to cannabis license holders.

It will surely be confounding to some, but as a result of the Sheriff's Department finding ways to conduct cannabis licensing and enforcement in a more cost-efficient way, the cannabis industry has seen an overall decrease in compliance costs locally. Regulation of the cannabis industry is unique in that the legislation that legalized the product gave counties discretion in the matter. We wish that such discretion could be applied to other industries as well.

## Most Fees Go Up

Speaking of fees, the Board of Supervisors is required to update its fee schedule relating to capital improvements every five years for fees charged to developers as “impact fees”.

Item 5 on the agenda reads:

“Request to receive and file 1) FY 2024-25 annual report for the Public Facilities Fees Program, 2) the five-year report for the Public Facilities Fees Program; and approve a resolution adopting findings in accordance with Government Code Sections 66001 and 66006 with respect to the San Luis Obispo County Public Facilities Fees Program.”

County staff explain that the Facilities Plan describes the impacts of new development projects on existing public facilities and improvements within the unincorporated area of the County of San Luis Obispo, and analyzes the need for new public facilities and improvements required by said new development projects, and sets forth the needed public facilities and improvements, and the estimated costs of those public facilities and improvements.

Here are the Development Impact Fees charged for 2024 compared to 2025:

<b>2024 PUBLIC FACILITIES FEES</b>							
<b>ADJUSTED</b>	<b>RESIDENTIAL (per unit)</b>				<b>NON-RESIDENTIAL (per 1000 Sq')</b>		
<b>Fee Category</b>	<b>Single Family</b>	<b>Multi-Family</b>		<b>Commercial</b>	<b>Office</b>	<b>Industrial</b>	
Parks	\$2,778	\$1,230	\$1,954	\$865	\$0	\$0	\$0
Sheriff	\$826	\$366	\$574	\$255	\$291	\$646	\$208
General Gov't	\$1,238	\$549	\$862	\$382	\$436	\$967	\$310
Fire	\$2,415	\$1,070	\$1,679	\$744	\$852	\$1,888	\$608
Library	\$830	\$368	\$595	\$263	\$84	\$187	\$60
Admin Fee 2.0%	\$162	\$72	\$113	\$50	\$33	\$74	\$24
<b>Total Fees</b>	<b>\$8,249</b>	<b>\$3,655</b>	<b>\$5,777</b>	<b>\$2,559</b>	<b>\$1,696</b>	<b>\$3,762</b>	<b>\$1,210</b>

<b>2025 PUBLIC FACILITIES FEES</b>							
<b>ADJUSTED</b>	<b>RESIDENTIAL (per unit)</b>				<b>NON-RESIDENTIAL (per 1000 Sq')</b>		
<b>Fee Category</b>	<b>Single Family</b>	<b>Multi-Family</b>		<b>Commercial</b>	<b>Office</b>	<b>Industrial</b>	
Parks	\$2,838	\$1,257	\$1,996	\$884	\$0	\$0	\$0
Sheriff	\$854	\$378	\$593	\$264	\$301	\$668	\$215
General Gov't	\$1,280	\$568	\$891	\$395	\$451	\$1,000	\$320
Fire	\$2,497	\$1,106	\$1,736	\$769	\$881	\$1,952	\$629
Library	\$858	\$380	\$615	\$272	\$87	\$193	\$62
Admin Fee 2.0%	\$167	\$74	\$117	\$52	\$34	\$76	\$25
<b>Total Fees</b>	<b>\$8,494</b>	<b>\$3,763</b>	<b>\$5,948</b>	<b>\$2,636</b>	<b>\$1,754</b>	<b>\$3,889</b>	<b>\$1,251</b>

Below is a chart listing all of the different capital projects that fees are expected to cover over the next five years:

Functional Area	Requesting Department	Project Title	Project No.	Estimated Total Project Cost	Prior Years
General Gov't	Public Works	PW-COC-Custodial Offices - Building 1200, PIC02	CIP-PW25-04	\$ 468,000	—
General Gov't		Gen Govt-SLO-Courthouse Conceptual Plan, PTB02/03	CIP-PW25-05	\$ 300,000	—
General Gov't	Public Works	ADA Transition Plan Implementation Program	CIP - ADA Program	\$ 3,222,000	\$ 1,422,000
General Gov't	Public Works	Facility Condition Assessment ("FCA") Program	CIP - FCA Program	\$ 63,038,000	\$ 26,448,000
General Gov't		Gen Govt - Various - Small Workplace and Remote Monitoring Program	350197	\$ 386,000	\$ 181,000
General Gov't	Central Services	Central Services - COC - Fuel Station Canopy, PIC25	320222	\$ 1,220,000	\$ 100,000
General Gov't	Public Works	Gen Gov't - COC - Parking and Road Improvements	320126	\$ 3,042,920	\$ 995,000
General Gov't		Gen Govt - COC - Water Lab Cabinets and Countertops, PIC19	320230	\$ 579,000	\$ 325,000
General Gov't		Gen Govt - COC - Install Water Quality Lab Generator, PIC06-19	320203	\$ 460,000	\$ 400,000
Parks	Parks And Recreation	Parks - Nipomo - Jack Ready Imagination Park	305RADJREADY	\$ 8,282,500	\$ 2,282,500
Parks	Parks And Recreation	Parks - Morro Bay - Toro Creek Property Acquisition - Phases 3+	CIP-PA24-01	\$ 20,000,000	\$ 4,750,000
Parks	Parks And Recreation	Parks - Oceano - Coastal Dunes RV Park Electrical Repairs, PPD12	320249	\$ 2,036,000	\$ 412,000
Parks	Parks And Recreation	Parks - Santa Margarita - Yerba Buena Creek Trail	380009	\$ 7,000,000	\$ 3,146,801
Parks	Parks And Recreation	Parks - Morro Bay to Cayucos Connector of the CA Coastal Trail	320054	\$ 13,362,492	\$ 1,592,600
Parks	Parks And Recreation	Parks - Nipomo - Nipomo Community Park - Perimeter Trail, POB20	CIP-PA24-02	\$ 6,000,000	—
Parks	Parks And Recreation	Parks - Oceano - Oceano Memorial Park - Play Structure Replacement	320240	\$ 969,000	\$ 769,000
Parks	Parks And Recreation	Parks - Templeton to Atascadero Connector	320056	\$ 8,796,499	\$ 1,496,499
Parks	Parks And Recreation	Parks - Morro Bay - Toro Creek Property Acquisition - Phase 2	CIP-PA23-09	\$ 5,500,000	—
Parks	Parks And Recreation	Parks - Avila Beach - Bob Jones Trail - Octagon Barn to Ontario Road	320096	\$ 41,442,427	\$ 10,084,427
Public Safety		Sheriff/Probation - COC - Electronic Access Controls, PIC20,30,32,35,42	CIP-SH/PROB25-01	\$ 5,000,000	—
Public Safety		Sheriff - COC - Divide Jail Max Yard, PIC42	CIP-SH25-03	\$ 694,000	—
Public Safety	County Fire Department	Fire - Santa Margarita - Feasibility Study for New Fire Station	CIP-CF25-01	\$ 250,000	—
Public Safety	Public Works	Fire - SLO - Replace Building 1666 at Camp San Luis (Drill Grounds)	320202	\$ 2,000,000	\$ 367,448
Public Safety		Sheriff - COC - Remote Flush Systems, PIC32	CIP-SH25-01	\$ 725,000	—
Public Safety	Sheriff Coroner	Sheriff - Nipomo - Construct New Substation	320215	\$ 11,123,000	\$ 1,200,000

### Five-year Capital Improvement Plan

It is a bit misleading to call these fees “developer fees” because as we all know, the developer simply passes them along to the customer. As our county leaders continue to yammer on about the cost of housing in our county, we encourage them to take a careful look at the costs that they are contributing to already expensive new housing.

## Clearing the Air in South County

In another unusual move for the county government, we are actually losing a department. Item \_\_\_ calls for the decommissioning of the South County Air Quality Mitigation Fee Fund. And ending the fee collection. It further calls for transferring the remaining funds of the fee to the County of San Luis Obispo Department of Public Works.

The Report previously concluded that by establishing a mitigation fee of \$204.00 per dwelling unit, the County would be able to provide for certain public transit improvements, park and ride lot improvements, and/or acquisition, and ridesharing subsidies to encourage vehicle trip reduction.

The Program currently collects approximately \$225 per single-family residence and \$142 per multi-family residence, generating a total fund balance of approximately \$752,947 as of 2026; and new development projects are individually analyzed under the California Environmental Quality Act to determine project-specific and cumulative air quality impacts, rendering continued fee collection unnecessary and outdated; and

## **Freking Fracking Horse Puckey**

As silly or desperate as it seems that several candidates are continuously beating the drum about the non-existent threat of offshore oil drilling, we now have at least one candidate making a big fuss over fracking. As we discussed last week there are a whole host of reasons why offshore oil drilling is highly unlikely off the coast of San Luis Obispo County.

It's equally as unlikely that fracking is going to come to the coastal regions of San Luis Obispo County – especially in residential areas.

Inventing a threat and using it to foment fear among the electorate just for votes is a cheesy move. It telegraphs a lack of self-confidence and desperation more than anything else. We're not sure where these candidates are getting their advice, but they should think twice before they accept such folly.



There are plenty of serious and important issues - based in reality - that should be discussed by our candidates. None of these misguided candidates are superheroes and we don't need their wannabe superhero powers to protect us from non-existent

threats. We do need to know how they're going to address some of the issues that are real and that do impact our lives on a daily basis.

Any candidate who truly believes that offshore drilling or fracking is a real threat should show us the evidence. Point out the geologic reports that indicate large enough volumes of oil fields to make it worthwhile to drill. Show us the companies that want to come in and invest in drilling and extraction efforts. Show us what they would do with the oil once they got it from the seabed or from local coastal lands. Show us the refineries that would take that oil and turn it into useful products for California consumers.

What these candidates are showing us is that they are worried about their position on real issues. They are worried about being compelling enough to grab the attention of the voters. Or maybe they are worried that voters won't appreciate their positions. They should be worried about the voters' reaction when they learn the truth about all the fertilizer being spued over nonsense.

There is nothing wrong with having a position on oil drilling or extraction, but suggesting that it is a threat, and then insinuating that voters should make decisions based on the candidate's ability to reduce or eliminate that threat is dishonest at best.

## **Dantona Woody Debate**

A second candidates' debate of the season was once again hosted by The San Luis Tribune on March 4. The first debate was held on January 15 and featured 4<sup>th</sup> Supervisorial District candidates Adam Verdin and Jimmy Paulding. While one or two questions seemed a little biased, most viewers found it informative and fair. The format was more of an interview than a debate, but it offered good insight about the two candidates.

The March 4 debate between Jim Dantona and Michael Allen Woody was much the same.

The district 2 race is wide open, with Bruce Gibson retiring. Civil Engineer Michael Allen Woody and county staffer Jim Dantona are each running to fill the seat. Like the 4<sup>th</sup> district race, election day is June 2, 2026. In both cases, it appears to be a two-man race, so whomever gets a majority of the vote in June wins. The winner takes office in January 2027.

The March 4 debate included a variety of topics, including campaign donations (Their moms were among the highest for each), Los Osos water and construction issues, water conservation, growth management, ICE enforcement and of course, offshore wind energy.

The latter topic was the only real contrast between the two, with Dantona wanting to keep the door open to the concept while Woody expressed steadfast opposition to the concept.

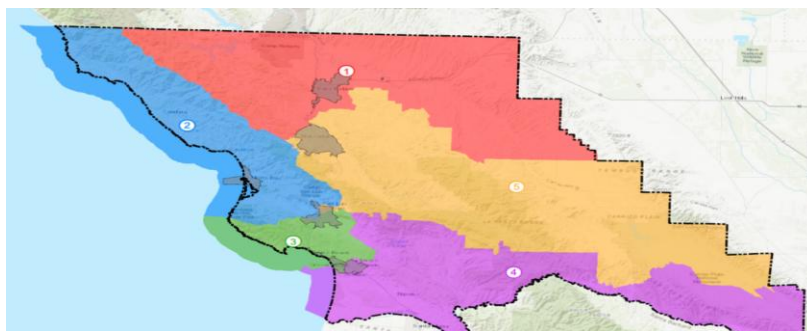
It was disappointing to hear Dantona repeatedly raise the “threat of the Trump Administration wanting to destroy our environment with offshore oil rigs”. He used this as a dodge when asked about offshore wind energy. Perhaps he should read the conditions of the Monterey Bay National Marine Sanctuary or the Chumash Heritage National Marine Sanctuary to avoid sounding so uninformed.



Jim Dantona



Michael Allen Woody



The 2<sup>nd</sup> Supervisorial District shown in blue.

The Tribune staff couldn't resist at least one jab at locals working for common sense. They asked a question about partisanship becoming a problem. We somehow doubt that they were referring to the rent control efforts in San Luis Obispo, frenzied people demanding ICE free zones, the efforts to shut down the Diablo Canyon power plant or the boys in girls' locker rooms question. We are fairly certain that they didn't have local newspaper coverage in mind either...

We applaud both candidates for their interest in running and for participation in the debate. Both presented as reasonable candidates dedicated to keeping San Luis Obispo County a beautiful place. And we appreciate the Tribune for presenting the opportunity to compare the two candidates.

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## California's Taxpayer Compact Is Being Looted From Both Ends

*The state is simultaneously subsidizing illegal immigration and decriminalizing theft*

By Jay Rogers, March 12, 2026

There is a particular kind of fiscal irrationality that only single-party government can sustain with a straight face. California Governor Gavin Newsom demonstrated it again on February 20, 2026, when his administration announced \$35 million in new “humanitarian funding” to connect illegal immigrants facing federal deportation proceedings with attorneys, food assistance, and legal navigation services. This came on top of \$125 million the state had already committed to the same cause. Meanwhile, the Legislative Analyst's Office projects the state's structural deficit will reach \$35 billion annually by 2028.

That is not compassion. That is a fiduciary breach against every taxpaying Californian who is not represented by Gavin Newsom's moral theater.

In finance, negative carry is the condition in which the cost of holding an asset exceeds its return. California has engineered negative carry at the policy level, and the productive class is the collateral.

The Federation for American Immigration Reform estimates the annual net cost of illegal immigration nationally at \$150.7 billion — after accounting for taxes paid by undocumented workers — a figure critics on the left dispute but which directionally reflects the scale of expenditure in education, healthcare, welfare, and incarceration costs that federal and state governments absorb. California's share is substantial. The left-leaning Institute on Taxation and Economic Policy calculated that

undocumented Californians paid approximately \$8.5 billion in state and local taxes in 2022 — a genuine contribution that nonetheless does not approach the full cost of K-12 education alone for that population, let alone healthcare and social services. What it emphatically does not cover is \$160 million in taxpayer funds to hire lawyers to fight the federal government’s lawful enforcement of immigration statutes that California residents voted to support. Newsom frames Trump’s deportation operations as a threat to a \$275 billion economic contribution — which calls to mind Tony Soprano explaining to the FBI that their wiretaps were disrupting legitimate waste management. The governor is defending a shadow economy while presiding over a structural budget crisis and warning that enforcement will make it worse.

While Sacramento was building its immigration legal defense infrastructure, it simultaneously dismantled the deterrence framework for property crime. Proposition 47, passed in November 2014 and titled the “Safe Neighborhoods and Schools Act” — a ballot title prepared by then-Attorney General Kamala Harris’s office — reclassified theft of property valued below \$950 from a felony to a misdemeanor, regardless of the offender’s prior record. Harris’s office stayed neutral regarding the measure but supplied the wording that shaped how voters interpreted it.

The downstream consequences were predictable to anyone who has ever managed a P&L. The Legislative Analyst’s Office confirmed post-passage increases in larceny rates. Retailers across California reported shoplifting increases ranging from 15 to 50 percent. Organized retail crime syndicates — coordinated, repeat-offense operations that a misdemeanor threshold cannot meaningfully deter — turned Walgreens, Target, and CVS locations into what amounted to open-inventory distribution centers. The California Retailers Association documented billions in annual losses statewide. Dozens of stores closed, disproportionately in lower-income neighborhoods where the residents had the least alternative access to goods and the least political capital to demand accountability.

The \$950 threshold, unchanged for inflation, functions as a de facto license for professional thieves. Proposition 36, passed by California voters in November 2024, partially addressed this by allowing felony charges for repeat offenders — a tacit admission that the original experiment failed. But the structural damage from a decade of misdemeanor retail theft culture is not remedied by a ballot measure. It is

remedied by sustained enforcement, prosecutorial will, and a legislature that stops treating criminal accountability as a form of oppression.

These two policies — immigration legal defense funding and the Prop 47 decriminalization regime — are not unrelated. They share a common architectural logic: the systematic transfer of risk and cost from those who violate the law onto those who follow it. The illegal immigrant who receives a state-funded attorney and the repeat shoplifter who receives a misdemeanor citation are both beneficiaries of a policy framework that has inverted the traditional function of government. Government is supposed to protect the law-abiding from the lawless. California has decided to protect the lawless from the consequences of their choices while billing the law-abiding for the service.

The productive Californian — the homeowner whose property taxes fund the legal defense infrastructure, the small business owner whose shrinkage costs are built into prices that working-class consumers pay, the parent whose children inherit \$265 billion in unfunded pension liabilities per the Reason Foundation — receives no representation in this arrangement. He is the externality that Sacramento's moral accounting never includes on the ledger.

The corrective is not complicated, though it requires political will that Sacramento's one-party structure has no incentive to generate. Enforce federal immigration law rather than fund resistance to it. Eliminate the \$950 misdemeanor threshold or index it to a level that actually deters organized theft. Require fiscal impact statements for every social program expansion so that legislators must acknowledge the carry cost before approving it. Impose term limits so that the political class that built this architecture is eventually replaced by people who will inherit its consequences.

Wayne Gretzky's maxim about skating to where the puck is going rather than where it has been is useful here. The trajectory of California's fiscal position — structural deficits, pension obligations, one-party entrenchment, and a tax base that is quietly relocating to Texas, Nevada, and Florida — points toward a Detroit-style reckoning if the current course holds. The question is whether Sacramento will change because voters demand it or because the math eventually demands it for them.

History suggests the latter arrives first.

The taxpayers of California did not agree to fund a parallel legal system for people who entered the country illegally, nor did they agree to absorb billions in retail losses so that career thieves could operate beneath a statutory threshold designed to be unenforceable. They have been assigned both obligations without meaningful consent. At some point — ideally before the structural deficit becomes unsurvivable — California’s productive class will need to decide whether they are citizens or simply revenue sources. The state’s current government has made clear which role it prefers they play.



**Jay Rogers**

Jay Rogers is an investment professional and entrepreneur based in Southern California with more than three decades of experience in financial services. He provides expert witness services, and is a guest lecturer at the USC Marshall School of Business. He has appeared on CNN's Your Money and is regularly quoted in the Wall Street Journal, Bloomberg News, and NPR.

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## **10 projects from Newsom’s mental health bond were supposed to open in 2025. That didn’t happen**



BY MARISA KENDALL MARCH 12, 2026

### **IN SUMMARY**

Projects that are supposed to offer mental health and substance use care to foster youth, new mothers, unhoused people and other vulnerable Californians have been delayed or cancelled.

None of the projects expected in 2025 under Gov. Gavin Newsom's mental health ballot measure have opened, CalMatters has found, even though the governor says the bond is exceeding its goals.

Newsom promised that thousands of mental health treatment beds would come out of Proposition 1, a \$6.4 billion bond California voters passed by a narrow margin in 2024. But projects in the initial round have hit delays, in some cases pushing back opening dates by two years, or been cancelled.

The state awarded nearly half of the money from the bond last spring, kicking off what Newsom described as the fastest distribution of bond funds in California history. When it rolled out that money, the state said it expected 10 of those first 124 projects would be finished by the end of last year.

That didn't happen. CalMatters has confirmed that nine of those projects were delayed, with new completion dates ranging from this summer to summer 2028. One project was cancelled.

The bond is a cornerstone of Newsom's broader plan to help Californians living on the street with mental illness, and it's supposed to provide some of the resources necessary for the governor's other mental health programs to succeed. Without the new in-patient beds, out-patient treatment slots and housing promised under Prop. 1, programs such as CARE Court, which uses the courts to get more people into treatment, won't be as effective.

The delays in getting Prop. 1 projects built highlight the difficulty of quickly scaling up treatment options to meet the demand for mental health care in California, as well as the challenges of building anything in the state's expensive and highly competitive real estate market.

They also mean some of the state’s most vulnerable residents will have to wait longer for help.

The administration tried to fast-track Prop. 1 projects by smoothing some permitting and other hurdles, Newsom said during a news conference Wednesday. But he admitted there have been snags.

“Some of that has been impacted by, candidly, tariffs, supply chain issues,” he said. “So there’s been some slippage in some of the projects. We’re deeply mindful and aware of that, but we’re just managing that on a daily basis.”

Newsom this week awarded the remaining \$1.18 billion from Prop. 1 for new treatment beds and outpatient slots. In all, the bond has funded 177 projects, which are supposed to create 6,919 residential treatment beds (119 more than originally promised) and 27,561 outpatient treatment slots (861 more than promised).

“This is a point that needs to be emphasized: Exceeding the goal in record time,” Newsom said.

But those projects, though they have now been funded, have yet to come to fruition.

Assemblymember Jacqui Irwin, who carried the bond proposal in the Legislature, commended the state for awarding the funds quickly, but said the projects must open as soon as possible.

“While Prop. 1 allows these projects to go from concept to blueprints, they are not immune from supply chain challenges or competition for skilled labor that hinders construction of every type in our state,” Irwin, a Democrat from Thousand Oaks, wrote in an email to CalMatters. “That however does not minimize that the legislature, the executive branch, and the public must demand these facilities open as quickly as possible.”

## **Statewide delays**

Delays happened across the state, from Los Angeles to Marin County, for a variety of reasons. In Hollister, a building that was supposed to be purchased with Prop. 1 money was unexpectedly sold to someone else, and the grantee had to scramble to find a new property. Another project in Los Angeles is now expected to be at least two years late because the grantee discovered the building needs seismic retrofitting.

The state's Department of Health Care Services emphasized that it's "expected and common" to push back completion dates for large projects. The state checks in regularly with grantees to monitor progress, but doesn't penalize them just for running into delays. Instead, if a project is falling behind, the state helps resolve construction issues and adjusts its timelines as needed.

"While most construction remains on schedule, some individual project timelines have shifted slightly due to permitting, site conditions, and construction pressures, including supply-chain strain from President Trump's tariffs," the department wrote in an email to CalMatters. "These projects are moving forward and will deliver long-term treatment capacity for generations."

In Placer County, nonprofit Koinonia Family Services was awarded nearly \$2 million to create eight beds that would have provided short-term residential care for foster youth. But the nonprofit ultimately declined the grant and cancelled the project. Koinonia said that was because of "changes in state and federal policy" which raised concerns about the project's long-term sustainability. The nonprofit did not respond to emails asking for more detail.

Other projects ran into administrative hurdles.

In Costa Mesa in Orange County, nonprofit Encompass Housing won \$31 million to create 50 beds where new mothers who need mental health and substance use treatment can stay with their babies. The project initially had an estimated completion date of winter 2025. Last month, Encompass CEO Deby Wolford said the organization hadn't even purchased the property yet, because of "some delays" with the bond. She didn't answer follow-up emails asking for more detail.

Despite the delays, most projects are moving ahead.

In Hollister, the nonprofit Youth Recovery Connections had to scramble when it lost out on its first attempt to purchase a building. The about-face set the project back about a year and a half, but it came with a silver lining. The new building the nonprofit intends to buy is bigger – with double the office space where patients can be seen – and actually costs a little less, according to Youth Recovery Connections executive director Michael Salinas.

In San Rafael, the Ritter Center won \$10.5 million to open 1,370 treatment slots. The nonprofit already provides mental health care and other support to more than 2,500 homeless and precariously housed clients per year. But its current digs – which Ritter has rented for the past 45 years – are getting to be too old and cramped, and it's starting to show. The center's "patient navigators," who greet incoming patients and tell them where to go, sit on folding chairs under a tent outside the building because there's no room for them inside.

The Ritter Center bought a new building and is using the Prop. 1 money to renovate it and turn it into a state-of-the-art health care facility. It will double its number of exam rooms, double the capacity of its food pantry and move its patient navigators indoors.

The project should open this summer, about six months later than the initial projection.

"When people go to a low-income clinic or a place to get social services and it's run down, it's not reflective of the broader community, it says something about what you deserve or what the community's values are," said Cynthia Le Monds, chief development officer for the Ritter Center. "So by having this dignified facility, we're really making sure that we're giving our patients and clients the very best services that they can receive."

### **Bond creates financial puzzle for counties**

In addition to expanding treatment capacity, Prop. 1 is also funding permanent housing for people with mental illness and substance use disorder through the governor's Homekey+ program. So far, the state has awarded \$768 million to create

2,260 homes, including 545 reserved for veterans. The first of those projects is due to be completed this summer.

In addition, the ballot measure shifts other mental health funding priorities. It requires counties to fund housing instead of other services with a share of the revenue they get from the so-called millionaire's tax on high earners for mental health care. That will necessitate some financial gymnastics from counties, which are in the midst of pulling funds from existing programs that are no longer prioritized — such as suicide prevention, mental health hotlines, anti-stigma campaigns and more — and putting the money toward housing.

San Diego County already has identified 29 programs to close.

The initial idea was for counties to fill the gaps with Medi-Cal funds, said Michelle Cabrera, executive director of the County Behavioral Health Directors Association. But with recent federal cuts to Medicaid, that's no longer as doable, she said.

“There will be challenging times ahead,” Cabrera said, “certainly some programs will need to be cut back or cut entirely.”

*This story was reported with support from the Rosalynn Carter Fellowship for Mental Health Journalism.*

# Why California Has an Oil and Gas Crisis... and China's Involvement

*The California Air Resources Board has been using Chinese research to bolster their corrupt and dishonest climate policies*

By Katy Grimes, March 11, 2026

California Governor Gavin Newsom is destroying the state's oil and gas industry, and it appears to be deliberate. Newsom is presiding over perhaps the largest collapse of the oil industry, refinery operations and gasoline production in U.S. history.

Just this month, Marathon Petroleum, Chevron and PBF Energy sent a blistering warning to Governor Newsom and top state officials in a letter declaring that proposed amendments to the California Air Resources Board's (CARB) Cap-and-Invest program would destroy what is left of California oil refineries.

Three severe warnings by the state's remaining petroleum companies should elicit a response, but the governor is on a book tour/presidential campaign.

## **Newsom's Sweeping Set of Laws**

In 2022, Newsom signed a "sweeping set of laws" to dramatically cut the state's use of oil and gas, many in the California media reported. That "sweeping set of laws" is **40 climate change bills** regulating California businesses and its people.

Leading off the sweeping package of legislation was the ominous California Climate Crisis Act (AB 1279), "the policy of the state to achieve net-zero greenhouse gas (GHG) emissions as soon as possible, but no later than 2045, to achieve that goal with at least an 85% reduction in GHG emissions, and to achieve and maintain net negative GHG emissions thereafter."

The bill analysis used a 33-year old report from August 1989 from the Senate Office of Research titled "*The Greenhouse Effect and Global Climate Change: Doing*

*Something About the Weather*,” which claims, “Although a global problem, California bears significant responsibility for the increasing greenhouse effect.” That same analysis claims, “California is particularly susceptible to the harmful effects of climate change, including an increase in extreme heat events, drought, wildfire, sea level rise, and more.”

“As a responsible member of the world community, California must explore ways to reduce its contribution to the global climate change problem,” the bill analysis states. “While some of those numbers vary slightly today, the message still rings as true as it did then, 33 years ago.”

You can’t make this drivel up.

Newsom then announced his pompous plan for addressing “California’s hotter, drier future spurred by climate change” which “could reduce California’s water supply by up to 10 percent by the year 2040.”

The governor even launched a ridiculous climate dashboard “launched to highlight the state’s climate action and progress toward goals.”

As the Globe has been pointing out for many years, California already surpassed its original greenhouse gas emissions reductions target of 1990 levels by 2020. This target was achieved in 2016, and even the Governor’s Climate Dashboard website admitted this.

Yet, pretty much everything we use in modern society needs to be upended, overhauled, and restricted, according to the Climate Change hustlers.

And, in order to prepare, we must learn more about resilience planning, according to the Pew Center on Global Climate Change, C2ES, only the link doesn’t provide anything or go anywhere – which may reveal more than the myriad of climate change legislation signed by Newsom.

### **CARB’s Net-Zero Scheme As China Quadruples Coal**

In 2023, CARB announced that the sale of all new diesel big rig trucks and buses would be banned in the state starting in 2036, coming in a year after a similar new gas-powered car ban was previously voted on,” the Globe reported.

In addition to the 2036 sales ban on new diesel trucks and buses, CARB also announced that all trucks in California are to be zero-emissions by 2042. Under these new regulations, also known as the Advanced Clean Fleets rule, CARB hopes to achieve a total zero-emissions truck and bus fleet by 2045, as well as have at least 1.6 million zero-emission medium and heavy-duty trucks operating in the state by 2048.

CARB is using flawed PM2.5 deaths research, much of which has been conducted by Chinese investigators, to ban diesel trucks in the state. California has record-low pollution levels and CARB admits that trucks represent only 6% of the vehicles on California's roads.

The science behind these regulations is not only dubious, it is *from* China, which has a strong motive to see that the United States succumbs to the climate change movement—much of which is *funded* by China, as Real Clear Energy reported: “For China, climate change offers a strategic opportunity. Decarbonizing the rest of the world makes China's economy stronger – it weakens its rivals' economies, reduces the cost of energy for its hydrocarbon-hungry economy, and sinks energy-poor India as a potential Indo-Pacific rival.”

The US economy has been deliberately held back as China builds two new coal power plants per week, equalling eight new coal plants a month, and nearly 100 new coal power plants a year, according to a report by energy data organizations Global Energy Monitor and the Centre for Research on Energy and Clean Air. China quadrupled the amount of new coal power approvals in 2022 compared to 2021, NPR recently reported.

As the Globe reported in 2024, Newsom refuses to seriously address what ails his state, and instead focuses on shady, unaccountable, immeasurable issues like climate change and the “equity” hoax. Climate change and the “equity” hoax are both issues fomented by outside forces – the United Nations, the World Economic Forum, and China.

The Globe has identified many Chinese university studies sourced by California's corrupt Air Resources Board to justify their own papers and policy. We have linked to these over the years.

Remember, this is the same California Air Resources Board which has a rich history of fraudulent diesel emission studies, violations of California's open meeting act, and even experimented on children with dangerous diesel exhaust. The CARB also launders cap and trade funds extorted from California businesses by way of carbon offset auctions, through Western Climate Initiative, Inc., "WCI Inc.," a Delaware Corporation formed by the California Air Resources Board under Mary Nichols, former CARB Chairwoman.

The Governor and legislature allow CARB to illegally make law based on fraudulent, doctored science from China, a foreign country which says it will "own America" inside the next 15 years.

Some people claim that Newsom isn't doing his job, but what if he is? He is seemingly indifferent to the state's demise, so is he just a narcissist enjoying his elitist life, or is he doing the agreed work of other entities? Particularly, why would the UN, WEF and China have interest in destroying California's economy?

### **Newsom's Climate Corps Comrades**

Newsom is a graduate of the World Economic Forum's Young Leaders Training (YGL) Program along with other conspicuous comrades: Vladimir Putin, Justin Trudeau, Emmanuel Macron, Angela Merkel, and business leaders like Bill Gates, Jeff Bezos, Mark Zuckerberg, Larry Page and Sergey Brin are all listed as YGL alumni.

Dan Crenshaw, Gavin Newsom, Adam Kinzinger, Pete Buttigieg, Nikki Haley, Tulsi Gabbard, Texas Congressman Colin Allred, Phoenix Mayor Kate Gallego, former PM of New Zealand Jacinda Ardern, PM of Finland Sanna Marin, PM of Belgium Alexander De Croo, former PM of Georgia Mamuka Bakhtadze, former PMs Boris Johnson and Tony Blair are also listed as YGL alumni.

In 2024, Gov. Newsom bragged about three new states "teaming up with California," for his Climate Corps programs. Newsom said he is "the state's leadership in pioneering this nation-leading initiative." Apparently in "teaming up with California," new states will be "providing thousands of young people with opportunities for climate action and careers in sustainability."

A "career in sustainability" means little to nothing. That's like saying you have a career in believability or significance.

“We can’t go it alone in tackling the climate crisis,” Newsom said. “With these three states launching their own Climate Corps, we’re making climate action a reality in communities representing millions of Americans. Together, we’re mobilizing and organizing citizen climate action at a scale never seen before – and now we’ll begin to see its impact across the nation.”

You can see the insanity we are up against. Newsom is operating in a parallel universe to the reality in California.

What is this California Climate Action Corps launched in the middle of Newsom’s Covid lockdowns?

Here is what the Climate Action Corps website says:

**In California, climate change is a growing threat to systems and people across the state.** The impacts to our environment and health are worsening as we experience longer and more frequent droughts, devastating wildfires, and more. Each of us has a role to play. You can take meaningful action today to help communities across our state.

If you doubt any of this and Newsom’s role, read this from Politico in 2023 bragging about his harm to the oil and gas industry and his trip to China: “He’s brought oil companies to heel in Sacramento and railed against their role in causing climate change at the United Nations. Now he is evangelizing environmentalism in China.

Gavin Newsom is fully embracing the role of climate governor.”

In 2022, Gov. Newsom announced his pompous plan for addressing “California’s hotter, drier future:”

“Hotter and drier weather conditions spurred by climate change could reduce California’s water supply by up to 10 percent by the year 2040. To replace and replenish what we will lose to thirstier soils, vegetation, and the atmosphere, Newsom announced California’s latest actions to increase water supply and adapt to more extreme weather patterns caused by climate change.”

Think about that arrogant statement – as if California politicians are going to stop California’s traditionally hot weather.

But the joke was on the governor with record rainfall and snowfall in the winter of 2023, and 2024 marked the heaviest snowfall of 2023-24 in California's Sierra Nevada Mountain Range, with an accumulation of 26.4 inches. That was according to the UC Berkeley Central Sierra Snow Lab which pegged May 3, 2024 as the second-snowiest day with 23.8 inches.

Except that didn't stop him. Californians were still barraged with absurd radio advertisements warning, "now that we face a hotter, dryer future..." and "let's make conservation a way of life." Stupid ads that taxpayers had to pay for.

"There is 'NO Climate Crisis' says a coalition of 1,600 actual scientists" in a letter to CARB, the Globe reported in 2024. In fact, the scientists found that "California is in no danger of unusual drought: The annual precipitation in California has fluctuated greatly over the last 150 years, with only a slight decrease." California also has record low levels of air pollution that are below the threshold of human health effects, James E. Enstrom, PhD, MPH has told us repeatedly for years. He's also one of the 1,600 scientists signed onto the letter to CARB. The scientists also insisted that carbon dioxide is beneficial to Earth. And, 2022 Nobel Laureate John Clauser described the United Nations' Intergovernmental Panel on Climate Change as "one of the worst sources of dangerous misinformation."

As I reported, "'Consensus' on climate change has become a form of bullying, intimidation and censorship. It has been used to bludgeon and attack the character of anyone who questions the very shallow claims. It is a cult completely divorced from science and reality. And the larger problem with these climate change cultists is they lack humility, and any interest in self-reflection."

### **CCP's Collegiate Comrades**

Minding the Campus fully explained how China took over University Climate Science to weaken America:

In 2019, Tsinghua University in Beijing took over the field of climate change studies by storm. In California, Tsinghua partnered with the University of California, Berkeley, to form the California-China Climate Institute (CCI). The CCI then became the point of contact for a bilateral agreement between China's own Ministry of Ecology and Environment and the state of California.

Under the agreement, California, which often posits itself as a leader in climate policy, partners with China—the world’s largest emitter of pollution—to collaborate in forcing the adoption of “zero emission” (“New Energy”) vehicles. Tsinghua’s work has been enshrined in California state law.

In 2021, California Assembly Bill 39 established the CCI under the auspices of the University of California system. While Tsinghua sits on the Chinese side of the Beijing-Sacramento partnership, China helps lead the California side as well. *Legal Planet* reported in 2019 that the “co-chair of CCCI’s academic advisory board,” was none other than the former senior attorney of Beijing-based Natural Resources Defense Council (NRDC), Alex Wang. The NRDC has been suspected of acting as an agent of the Chinese government.

The CCI brokered subnational diplomacy between Xi Jinping and California Governor Gavin Newsom. In 2023, the CCI facilitated the “Declaration of Enhanced Subnational Climate Action and Cooperation Between the State of California and the People’s Republic of China.” Despite Article I, Section 10 of the U.S. Constitution’s prohibition of states from entering into agreements with foreign powers, Tsinghua successfully ensnared California’s government into a climate and energy treaty by another name.

In California, Tsinghua has been involved in research cited by the California Air Resources Board (CARB) to justify its regulatory stance on gas-powered cars and emissions standards. One Tsinghua alumnus worked with UC Irvine to conduct research for CARB on the health effects of wildfire smoke. Last year, CARB worked with another Tsinghua alumnus named Yifang Zhu at the UCLA Department of Environmental Health Sciences to conduct a study titled “Residential Appliances in Diverse California Communities: Emission, Exposure, and Health Impacts of Toxic Air Contaminants (RESPECT)” that examined environmental risks from household appliances. Studies like this help justify a broader California plan to reach “zero emission” standards by 2045.

Following Gavin Newsom’s 2023 trip to China to discuss climate collaboration, former CARB chair Mary Nichols noted that CARB “is going to be examining the data that is submitted by companies that are subject to our statutes, and the Chinese are going to be very interested in following what California is doing—as they always are.”

In December, the Globe asked, Has California's Oil and Gas Industry Hit the Point of No Return? Remember this: California is importing oil from Russia and China. Instead of making life more affordable for Californians by producing more of our own energy and using our own resources to bring down costs to build a more affordable future for everyone, Newsom continues to push for ridiculous "green energy" mandates. Democrats restrict our car choices, and force many people in the summer and winter to live uncomfortably because of high heating and cooling costs – in the state with the best weather in the country.

Newsom and Democrats have received warnings from oil industry professionals, oil executives, industry analysts, university professors and researchers, legislative leaders, legislative consultants, lobbyists, some (few) journalists, and industry associations. This energy crisis isn't new. It has been incrementally designed.

Rather than acknowledging the state's dire situation, Newsom has been openly mocking the industry, blaming the industry, threatening the industry, and ignoring recent refinery closures. It's as if this crisis is exactly what he wanted.



**Katy Grimes**

Katy Grimes, the Editor in Chief of the California Globe, is a long-time Investigative Journalist covering the California State Capitol, the co-author of California's War Against Donald Trump: Who Wins? Who Loses? and a contributor to "Taxifornia 2016."

A California native and Navy mom, Katy lives in Sacramento, CA.

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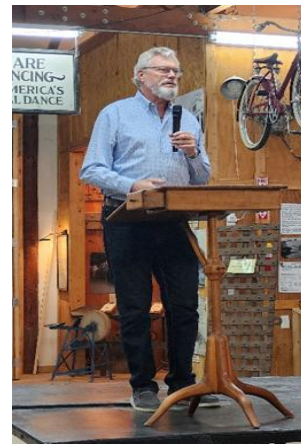
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