



COLAB
San Luis Obispo County

The Coalition of Labor Agriculture and Business

Weekly Update
May 18 - 25, 2026

Warning: High BS Meter Readings

When a candidate attempts to take full credit for something they only had a part in, it's safe to call BS. Big accomplishments by local government are always a collaborative effort. Ignoring such collaborations is arrogant, selfish and dishonest. It is a character flaw.

Candidates that take full credit for something they only played a role in are hoping that voters haven't been paying close enough attention to know the difference. They are self-centered, wanting the whole spotlight and ignoring others that also worked in support.

Yes, they may have helped to deliver, but if the project involved community leaders, staff support and collaboration among other electeds, then no, they don't deserve all the credit.

We wonder if such candidates are suffering from some sort of inferiority complex and are perhaps overcompensating with their desperate misrepresentations. To be sure, candidates that grab all the credit for complex projects are inferior. Do they realize that their friendly collaborators resent them for grandstanding?

Accomplishing anything significant in representative government requires a level of graciousness and humility. It calls for collaboration, teamwork and cooperation with colleagues. This absolutely includes sharing credit when a good thing is completed.

A candidate who takes full credit, naming themselves in the first person as the one who brought a needed resource to the community is a braggart. It makes one wonder if the accomplishment was done for the greater good, or just for the credit.

Informed voters recognize this tactic for what it is: Pure BS.

Voters should ask themselves why a candidate would claim that a collaborative project was entirely their achievement without recognizing the effort of their colleagues that also worked to make it a reality. How about the candidate's predecessor – did they have a role in the accomplishment? Is that a good form of leadership? Is it honest?

Harry S. Truman's famous quote; **“it's amazing what you can get done if you don't care who gets the credit”** really hits the nail on the head with this issue. Famous basketball coach John Wooden also had a great perspective: **“A strong leader accepts blame and gives the credit. A weak leader gives blame and accepts the credit.”** Do either of these sentiments apply to candidates in your area?

When you see a candidate asking you to believe that he or she is solely responsible for delivering a project or policy, don't be afraid to call their arrogance for what it is – BS.

1.2 Billion Reasons to Pay Attention

The 2026-27 San Luis Obispo draft county budget will be proposed at the May 19 Board of Supervisors meeting. The \$1.2 billion 837-page document (along with a \$24 million 72-page Special Districts supplement) was developed by the County Chief Executive Office team as the 2026-27 budget proposal.

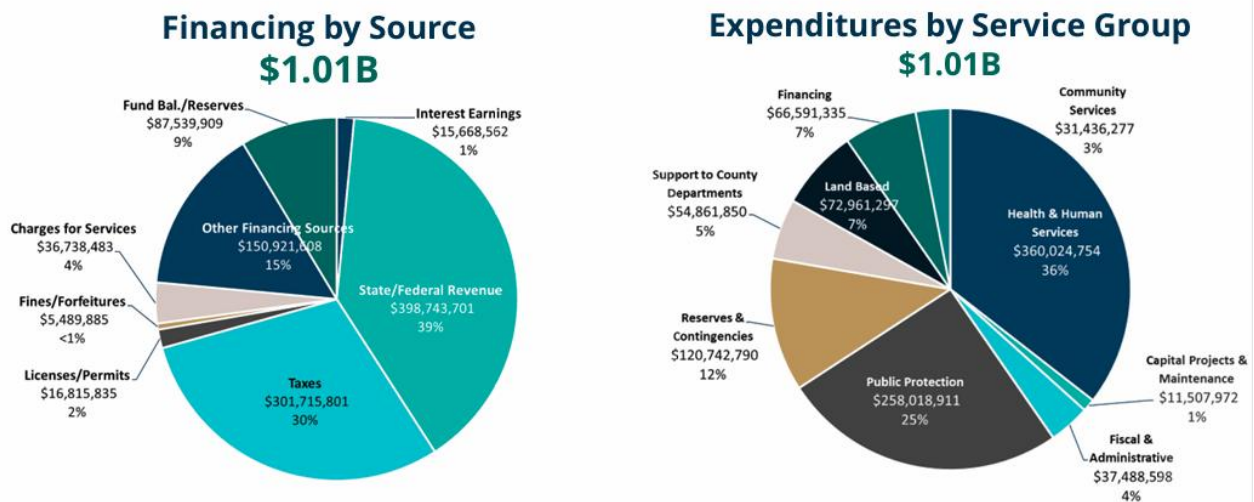
\$1.2 billion equates to about \$4,250 for every living person in the county, including babies and retired folk. Obviously, many don't pay any taxes, and many pay far more than this.

The budget draft has overall spending up by only 2% over the current budget. This contrasts with last year when spending was up by 9%.

The Board of Supervisors will adopt the draft proposal for public review at their May 19 meeting and will hold formal budget hearings on June 8 – 10. The final budget (with any modifications resulting from the budget hearings) will be formally adopted at the regular BoS meeting on June 16. That adopted budget is finally implemented in September after any adjustments are made for state/federal budget augmentations or reductions.

The graphs illustrated below depict the Government Funds Budget from an income standpoint and an expenditure standpoint.

Governmental Funds Budget



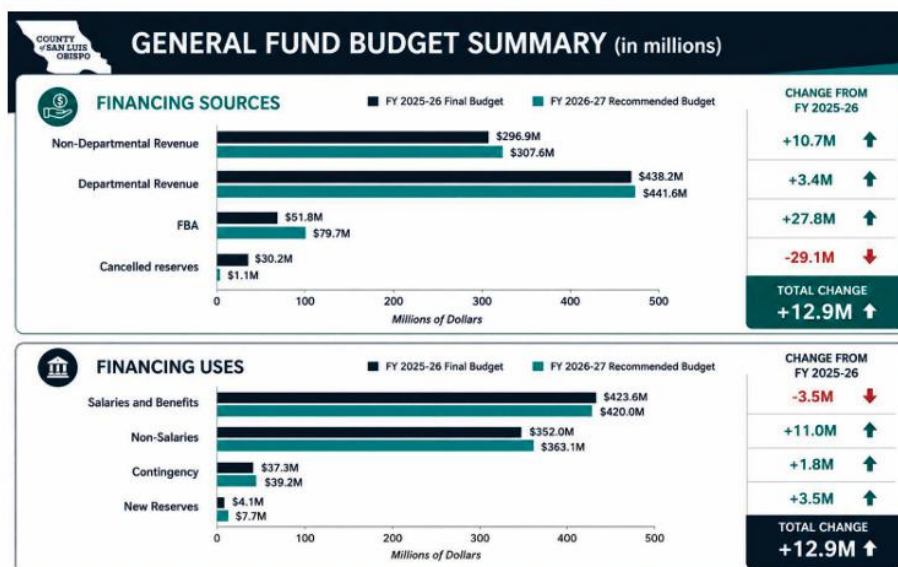
Of note on the financing side are the level of funds from the state and federal government which comprise our single largest source of income – 39% of our overall revenue base. This is worrisome on a couple levels. First, the unpredictability of those funds could be a problem and second, so much of those funds are prescriptive, meaning they are for specific programmatic funding. So,

we find ourselves reliant on funds that are not entirely dependable, and we have less than optimal discretion on how they are spent.

On the expenditure graph, however, we see a healthy amount of the budget (12%) dedicated to reserves and contingencies. This is wise planning that allows for a strong level of potential changes in state or federal dollars that might otherwise result in programmatic cuts. It also allows for local “less than anticipated” revenues or higher than expected operating costs. It is unfortunate that investment in this category is somewhat lower than last year, but it is good that it is still reasonable. Our only hope is that this fund doesn’t get chipped away with special pet project funding.

Sadly, our Governor, perhaps distracted by imagining his future, has done a poor job of forecasting the state budget. His May Revise report on the state’s revenues and anticipated expenditures was woefully vague, leaving more questions than answers. It could take months for counties to get a clear picture of the mess he is leaving us with. An additional unpredictable impact on our budget is Medicaid funding, which is in tremendous flux. (See the attached stories near the end of this newsletter.)

The next graph illustrates the major budget categories and compares them to the current 2025/26 budget.



Overall, we find this budget well done. It’s obviously bigger than we would prefer, and we are always concerned about budget creep and runaway spending. That said, the second year of the new Financial Rebalancing & Resilience Initiative appears to be paying off.

We like the shift from status quo budgeting to the baseline process implemented for the first time this year. This method involves a thorough review of spending by each county department.

That review is used to establish a baseline budget for each department. From there, department heads can make a case for restoration of funding that may have been cut to establish the baseline. These are called “add back requests” (ABRs).

Department heads also have the opportunity to make a case for additional funds not already in the current budget. These are called “budget augment requests” (BARs). They often involve requests for additional staffing.

Below is a graph illustrating the overall number and amounts of ABRs and BARs:

DEPARTMENT REQUESTS

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

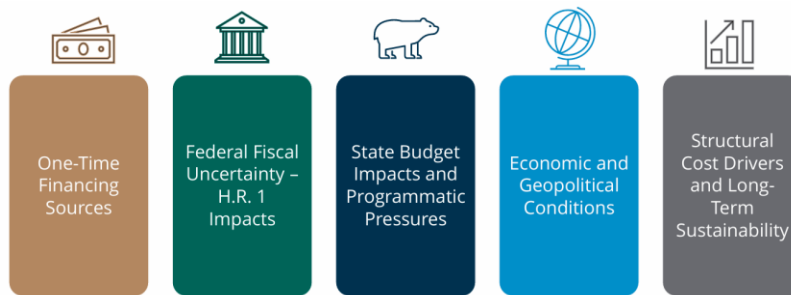
	ABRs	*BARs
Number Submitted	66	68
Expense	\$14.4M	\$14.3M
Revenue	-\$0.16M	\$3.6M
General Fund Support	\$14.5M	\$10.7M
Positions (FTE)	49.34 FTE	46.00 FTE

Here are the adjustments made to the baseline:

RECOMMENDED ADJUSTMENTS TO BASELINE BUDGET		GF AMOUNT (\$M)
 Add-Back Requests (ABRs) – One-Time	Restoration of baseline reductions for positions / services.	\$10.8M
 Budget Augmentation Requests (BARs)	New or expanded General Fund support (program growth pressure).	\$1.4M
 Economic Development & Housing Designation Funds	Commitments to economic development initiatives and housing priorities.	\$1.5M
 Funding for Management and Operational Review Audits	Investment in independent reviews to strengthen operational efficiency and accountability.	\$2.0M
 Contingency Adjustment (5% Policy)	Set aside in accordance with Board policy.	\$0.7M
 TOTAL RECOMMENDED ADJUSTMENTS TO BASELINE		\$16.6M

The result of this process is a more precise and accountable budget. It eliminates vague pockets of funding that might go for nondescript spending. It is tied to performance measures within departments and helps to more clearly define the mission of each.

This budget does a good job of anticipating potential challenges, but notes there are a number of factors beyond any ability to fortify against. The most prominent are:



With the CEO model now in full effect, and with the tighter budget process underway, the budget for San Luis Obispo has become a much more accountable and transparent process.

More Oopsies, Shame and Embarrassment

The San Luis Obispo County Clerk/Recorder's office has found itself in yet another compromised position having left off information on the American Independent Party candidate endorsements in the recently produced voter guides that were mailed to every registered voter in SLO County.

This means that they will be obligated to print and mail a postcard to every registered voter with the omitted information - at taxpayer expense.

Leaving aside the tremendous costs for such a postcard, along with the embarrassment and credibility issues, it raises a much more fundamental question about the additional aspects of the office and how they are run.

The Clerk Recorder has several key responsibilities outside of the elections and campaign finance duties, including recording official documents such as death certificates, marriage certificates and licenses, birth certificates, fictitious business listings, legal document registration, notary public authentication, process server registration and lawful detainer assistance registration.



Elaina Cano

Elaina Cano has served as our Clerk-Recorder for four years. She was appointed to the position after the vacancy of the previous office holder. She had experience as City Clerk for San Luis Obispo and Pismo Beach as well as Elections Manager for Santa Barbara County.

In her present role, she has been accused of violating the Public Records Act, failing to respond to records requests and refusing to disclose public voting records as required by state law. It seems to some that a few of those situations have a partisan nature to them. Additionally, she is currently being sued by a former candidate who alleges civil rights violations done under the color of authority. That person is currently running against Cano.

She is also quite well known for discovering a box full of ballots at the end of a counting process that turned the results of an important close election by a tiny

margin. And who can ignore the fact that we are among the slowest vote tabulation counties in the state under her leadership?

These are very concerning issues that shouldn't be taken lightly. They involve real people with legitimate motivations. They are not wild political accusations with little basis in reality. The excuses offered for most are feeble.



Our point for bringing up all this business is that holding the office of Clerk-Recorder calls for a heightened sense of accountability and responsibility. Public trust is critical. Maintaining integrity beyond reproach is absolutely necessary. The missteps and mistakes that we have seen to date are colossal. Do any of these problems carry over to her other responsibilities in the job?

Cano has a number of elected officials who are quick (too quick?) to sing her praises. Curiously, they all seem to be of one particular political party, while her detractors mostly seem to be of a different party.

Cano currently has two opponents in her bid to be elected on June 2. It is difficult enough to unseat an incumbent with just one opponent. Unseating her is a longshot. That said, we need a County Clerk-Recorder with an unblemished track record and the ability to carry out the job without controversy. Public trust isn't partisan. It isn't indicated by a plurality or small margin majority vote. It is earned.

We hope that whoever wins on June 2 sets about earning the public trust in totality.

REACHing for Economic Development

As an organization constantly calling for accountability and transparency, COLAB sometimes hears concerns about programs that receive taxpayer funded grants from the county. We too wonder what value taxpayers are getting when County Supervisors ceremoniously dole out dollars. It's not the Supervisors' money. It belongs to taxpayers, and they deserve to know that their money is providing something of value.

One of those programs is the Regional Economic Action Coalition (REACH). This is a local nonprofit organization dedicated to economic and community development.

Even Supervisor Gibson has expressed doubts about the value REACH offers for the annual \$300,000 in support it receives from the county.

We applaud the mission of REACH and its many members working on growing commerce in our county. We acknowledge the need for economic growth, better employment opportunities and a healthier tax base. We realize that success in these areas is measured in options. More job opportunities, hopefully more housing choices, a more resilient community, more choices for service providers and their customers, more support for education and even better roads are all products of strong economic development.

What we wish for is a more direct nexus between the taxpayer funds invested in REACH and the return on that investment. We would love to see a more aggressive approach to policy from REACH. Speak out when dumb ideas rise and good ideas falter. Shake things up because business as usual in San Luis Obispo County is not thriving. As a 501 C3, direct advocacy is not always appropriate, but educating the community about better options would be good.

Our economy is essentially stagnant, while the cost of everything else – including employees, health providers, housing, insurance, education, utilities and infrastructure, goods and services, public safety, and government - is growing. Some may be perfectly content with preserving our beautiful little slice of paradise as it is in San Luis Obispo County, but the fact remains that if we don't grow, we

will decline. We can't even afford to just keep things the way they are now. Maintaining a status quo costs more than we are generating. Sending opportunities elsewhere is not a sustainable option. The challenge is doing it right.

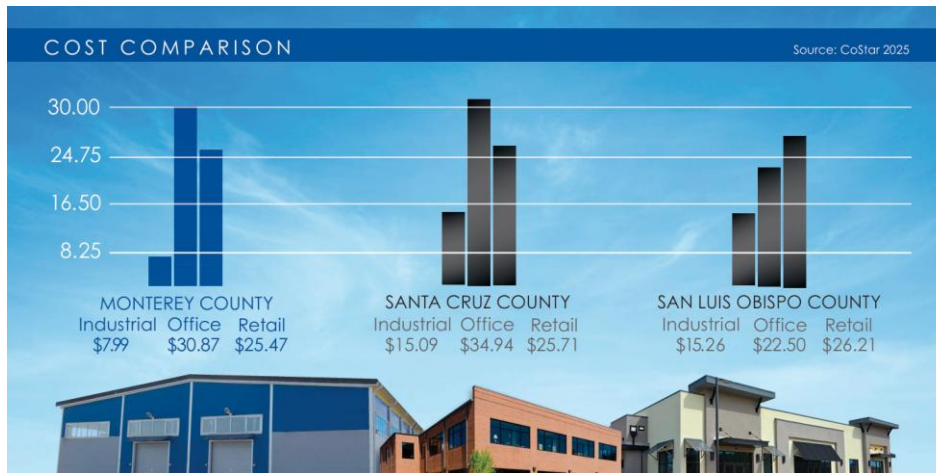
Most counties in California have some sort of formal office of economic development. San Luis Obispo County does not. We (together with Santa Barbara County) rely to a great extent on the efforts of REACH through what is essentially a public/private partnership.

Here are a few examples of other counties' economic development programs:



MONTEREY COUNTY
YOUR PARTNER IN BUSINESS

- Human Resource Hotline
- Market Analysis Assistance
- Free Project Consultation And Facilitation
- Employment Recruitment Services
- Site Selection Assistance
- Regulatory And Tax Assistance
- Layoff Prevention Services
- Labor Market Services
- Permitting Assistance
- America's Job Center of CA

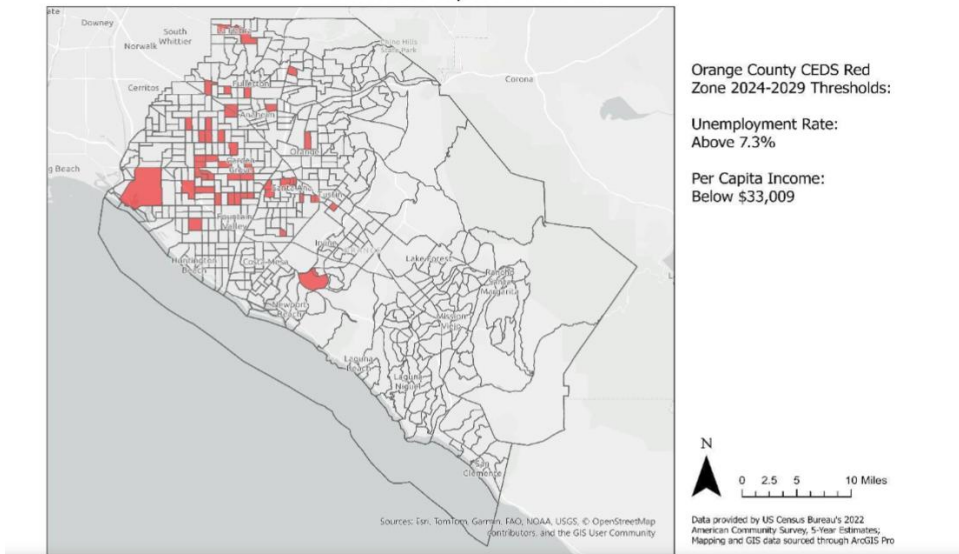


Permit Navigator

The County of Ventura strives to consistently improve the services it provides to residents including small businesses. The Permit Navigator program is a service to help small business owners find the best pathway to complete any County permitting process. This program is especially helpful when a permit application has been submitted and the business owner feels “stuck” in the process. Questions can be emailed to VCpermitnavigator@ventura.org with an explanation of the issue. Response time is within 2-3 business days.



Orange County Comprehensive Economic Development Strategy Red Zones, 2024-2029



CONTRA COSTA
CONSERVATION & DEVELOPMENT

Economic Development Services

Connect with our Economic Development team to inquire about site location, grant programs, county programs, and other information. Our team's goal is to provide quality customer service and meet the diverse needs you may have in a timely fashion.

- [Small Business Ombudsperson Services](#) - Business development and tailored referrals through ombuds-services.
- [Business Attraction and Retention](#) - Business attraction, growth, and retention needs.
- [Incentives](#) - Opportunity Zones and Recycling Market Development Zone low interest loans.



COUNTY OF SONOMA

SONOMA COUNTY
ECONOMIC DEVELOPMENT COLLABORATIVE

EDB 3.0

3.0 Action Plan, will guide future economic development by partnering with community and business organizations to address persistent issues that constrain the local economy. The plan seeks to enhance EDC's (formerly EDB) foundation of business support by expanding its role as a convener to address specific goals such as increasing the earning potential of residents, encouraging investment in high-value local enterprises, and restoring housing affordability in Sonoma County.



The County of Humboldt Economic Development Division works to strengthen the evolving local economy by supporting businesses, expanding workforce opportunities and advancing industries that create long-term prosperity. This work is grounded in the natural resources, innovation and entrepreneurial spirit that defines Humboldt.

As we can see, economic development is a serious concern throughout California. Many of the various County Economic Development programs focus on cutting red tape or facilitating success in the business and housing communities.

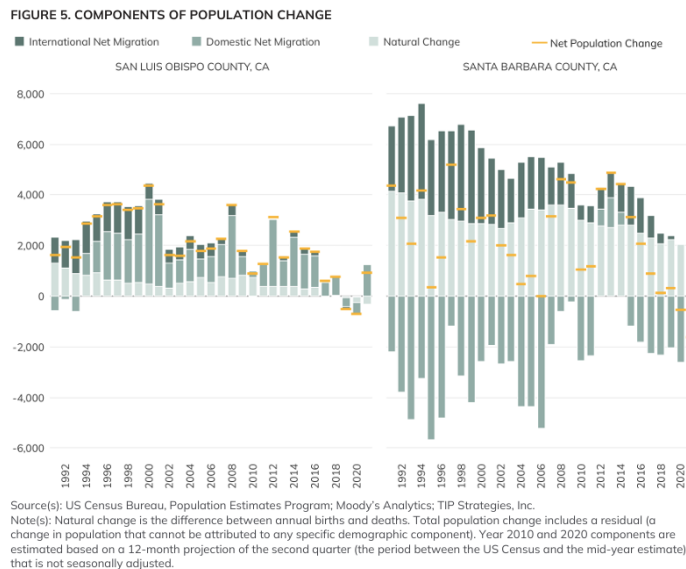
We also see that we have serious competition for industries looking to locate or expand. Some of the key criteria for such industries are housing costs and availability, employment base, quality of living, costs of utilities, and the level of bureaucracy standing in the way. Most economic development agencies seem to recognize this and are working towards improvements in each category.

So, what has REACH been doing for San Luis Obispo County?

They have developed an impressive number of professional board members, advisors and collaborators. The industries, companies and individuals helping guide the organization opens doors and create opportunities that would never exist without such substantive participation.

In order to better define their goals and measure success, REACH has compiled a great deal of data related to its mission. Much of that data can be found in their Resilience Roadmap publication: [2023-11-27-Central-Coast-CEDS_FINAL.pdf](#)

Just two of the many demographic and economic indicators in that report are listed here. They illustrate the population change occurring locally and how that change is contributing to our local economic stagnation:



	SAN LUIS OBISPO COUNTY	SANTA BARBARA COUNTY
Youth (0-19)	22.5%	27.2%
Young Adults (20 to 34)	21.8%	24.2%
Experienced Working Age (35 to 64)	35.6%	33.3%
Seniors (65+)	20.1%	15.3%

Source(s): US Census Bureau, American Community Survey 2020 5-year aggregate sample; TIP Strategies, Inc.

REACH has outlined several initiatives that it is currently undertaking in the following document: [REACH2030_ActionPlan.pdf](#)

A few examples are listed here:

REACH 2030

AN ACTION PLAN FOR CENTRAL COAST JOB CREATION

1 in 10

residents and 1 in 5 Latinx residents worry about having enough money for food.

86%

believe the region's young people will be unable to afford to live/work here in adulthood.

1 in 529

believe housing is affordable.

1 in 3

residents has less than \$10,000 saved for retirement.

1 in 4

middle-class residents must borrow to cover \$500 emergency.

50%+

53% of all middle-class residents, 63% of Latinx and 83% of African Americans are likely to leave.

Delivering Measurable Economic Impact

IN ADDITION to enriching the region's jobs mix, accomplishing this objective would more than offset the impending loss of about 1,500 good-paying jobs at PG&E's Diablo Canyon Power Plant, which is slated to close in 2025. The jobs created will generate an estimated

\$1.1 billion in payroll – five times more than Diablo's \$220 million payroll.

In 2019 dollars, this objective alone would amount to a cumulative economic impact over the next decade of \$6.3 billion.

\$1.1B

IN PAYROLL ANNUALLY

5x

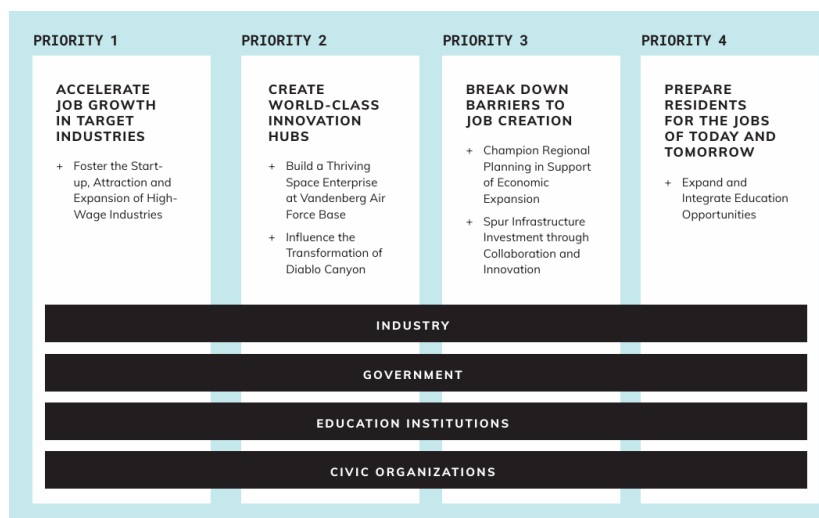
MORE THAN
DIABLO'S PAYROLL

\$2.75B

INDIRECT
IMPACT ANNUALLY

¹³Pew Research Center Income Calculator 2018, American Community Survey, 2013-2017 & MIT Living Wage Calculator, 2019.

¹⁴United Way of California, Real Cost Measures County Profiles, 2019.



<u>METRICS WE</u> <u>WILL USE TO</u> <u>TRACK</u> <u>SUCCESS:</u>	+ Year-over-year job growth by industry	+
	+ Year-over-year salary growth by industry	+
	+ Increase in number of companies within industry sectors doing business on the Central Coast	

We have attended REACH meetings and observed community leaders collaborating on jobs, people and housing. The discussions were robust, and the people having them were change agents in their particular fields.

REACH has recently been contracted by SLO County to do what we would describe as an “Inventory of Opportunity”. This analysis will identify every large-scale opportunity for economic growth in the county and highlight both the benefits and the impediments. We are hopeful that this is not another reframing of the very tired, very old and very sad story that housing costs are holding everything back. That story has been told far too often.

Rather, we look forward to new ideas and new solutions for achieving such opportunities.

REACH is certainly an asset and a strong contributor to our future. REACH’s annual budget is \$5.8M, with \$4.4M dedicated to special projects — including economic development contracts and state grants that advance sectors like space and aerospace, energy, precision manufacturing, workforce, and housing. In other words, SLO County’s investment is leveraged many times over.

Among its accomplishments, REACH lists:

- **State influence and business attraction:** REACH gives SLO County an outsized voice with the state and helps put the Central Coast on the map for high-growth industries. Companies in space, aerospace, energy, advanced aviation, and high tech have been attracted to and expanded here because REACH helps facilitate the

visibility, connections, workforce alignment, and public-sector coordination needed to make growth real.

- **Jobs and investment:** REACH has supported 7,780 jobs and secured \$360M in aligned investment across industry expansion, infrastructure, workforce, entrepreneurship, and regional economic development — all tied directly to REACH 2030.
- **Precision manufacturing:** This is not theoretical — real companies are growing here now. In just the last year, a small cohort of five companies in the greater SLO County area has generated more than \$1.5B in activity through acquisitions, venture investment, and contracts, with the potential to dramatically grow the workforce. REACH is helping turn that momentum into an industry-driven growth strategy — connecting companies, training partners, state funding, and career pathways so SLO County residents can access the jobs being created in space, aerospace, advanced aviation, clean energy, and high tech.
- **Energy and clean tech:** REACH is also helping position SLO County as a clean energy leader. We are taking a bold position in support of a 20-year extension of Diablo Canyon — recognizing it as both a critical clean energy asset and an economic foundation for the region — while also advancing a \$5M state-funded Clean Energy Innovation Hub with Cal Poly to grow the next generation of clean tech, supply-chain, workforce, and manufacturing opportunities in SLO County.
- **Workforce and community development:** REACH has helped secure and deploy 9M in state funding with \$3.2M into practical, local SLO County projects that expand training capacity, strengthen employer partnerships, and create better pathways into good jobs. Examples include:
 - Cal Poly — Paso Robles Spaceport Training and Research Center
 - First 5 SLO County — Uplift Regionwide Child Care Coalition
 - Cuesta College — LIFT: Launching Infrastructure for Future Training
 - San Luis Coastal Education Foundation — K–12 Regional Skills Lab
 - United Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry Local 403 — Expanded Apprenticeship Facilities and Opportunities
- **Housing:** REACH is also bringing its implementation focus to housing — first through catalytic work in Lompoc, where a REACH investment into a school district pilot project and then a consulting partnership is helping advance 200+ units. Goal is to expand this project portfolio into districts throughout the region.

San Luis Obispo County is making a big investment in REACH, but REACH makes a far greater investment in our county. We are hoping that it is a wise investment for both.


Ag Friends or Foes?

"AGRICULTURAL LAND AND COMMUNITY GROWTH: BALANCING HOUSING NEEDS, AGRICULTURAL VALUE AND OPEN SPACE"


This half-day summit addresses California's housing shortage, exploring possible ways to convert land currently designated as agricultural to residential while also discussing land preservation desires. Members of expert panels will discuss relevant ag-to-residential issues while describing real case studies. The event will include insights from faculty research and input from consultants, developers, planners, landowners and community leaders.


Local policy makers, representatives from industry, students and members of the community are encouraged to attend.

This event is organized by the Real Estate Initiative, the Orfalea College of Business and the College of Architecture and Environmental Design.

 **Monday, May 18, 2026**
1:00pm - 5:00pm
[Add to Calendar](#)

 **Swanson Center of Effort Conference Hall (Bldg 156)**

 **\$10 - \$45**
\$10 for current Cal Poly faculty, students and staff
[Learn More](#)

 **This event is open to:**
Everyone

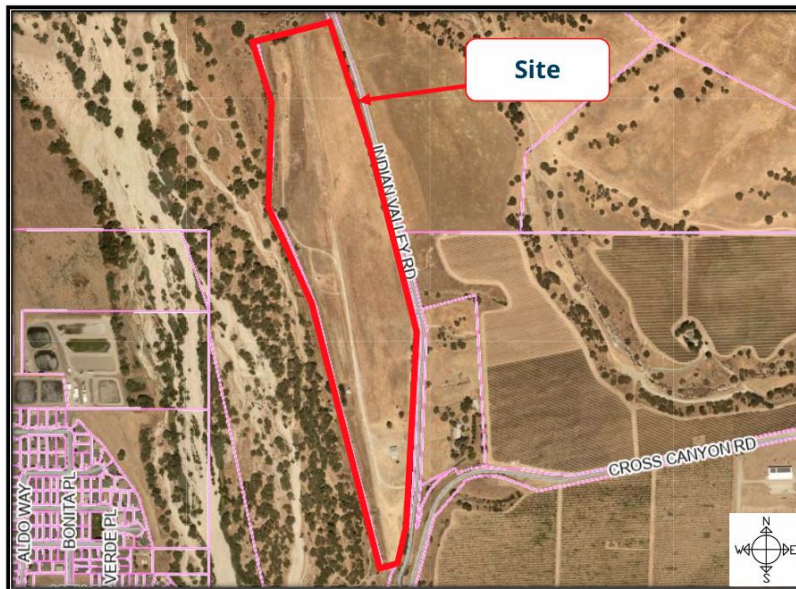
Last Week

New Homes for San Miguel

The May 5 San Luis Obispo County Board of Supervisors meeting included a few data dense items and a test of support for a builder/developer offering a housing tract that promises new homes in a community that desperately wants the project.

Item 36, the last but not the least item on the agenda was an appeal to the building permit granted for a project in the northeast part of San Miguel. The parcel borders the Salinas River and was at one time an airport. The project seeks to subdivide a 43.26 gross acre parcel into a Cluster Subdivision/Planned Unit Development

consisting of 181 residential parcels of varying sizes, configurations, and housing types, approximately 3.8 acres of commercial development, 3 utility parcels, and approximately 12 acres of park and open space for a total of 190 parcels along with various onsite and offsite improvements. The project includes a request for 1 concession under California Density Bonus Law (California Government Code Sections 65915) in exchange for including moderate-income affordable housing.



An aerial photo showing the boundaries of the project.

The appeal was based on seven points of contention, none of which warranted an overturn. Some, such as issue number three expressing concern for the fate of fairy shrimp, were pure hogwash. There is no evidence that fairy shrimp ever lived on the property. Nor were there any manatees, water buffalo, elephants, giraffes or gray whales. No snail darters either.

The appeals process is an important part of the planning process. It protects against subjectivity and cronyism. So, why criticize appeals premised on baseless accusations? This appeal, like all other (non-coastal zone) appeals, cost SLO County taxpayers between \$8 – 13,000. The appellants were only charged \$2,000. It was a cheap gamble to try to stop a project to which very few objected. Yet, the rest of us pay the bulk of the unnecessary work done by county staff - that could be doing something more productive instead.

Here are each of the issues raised by the appellant, and the staff response:

Appeal Issue 1: Water Service

Appellant States:	Staff Response:
<ul style="list-style-type: none">• On-site wells in PRGWB• Violates 2019 prescriptive water rights Court Order• Required Water conservation/offsetting• Insufficient SMCSO Wastewater Treatment Facility capacity	<ul style="list-style-type: none">• PRGWB Ordinance does not apply in San Miguel URL• Court Order is not applicable• Conservation/offsetting requirements do not apply• SMCSO authorization required for each phase

Appeal Issue 2: Traffic/Circulation Impacts

Appellant states:	Staff Response:
<ul style="list-style-type: none">• Traffic study conclusions are highly questionable• Capacity concerns regarding N. River Road bridge	<ul style="list-style-type: none">• Project's traffic study was conducted consistently with County policy• Third-party verified• Traffic will not exceed capacity thresholds, inclusive of bridge• Required to pay RIF for community roadway improvements

Appeal Issue 3: Federally Threatened Species (Fairy Shrimp) Impacts

Appellant States:	Staff Response:
<ul style="list-style-type: none">• Fairy Shrimp habitat (vernal pools) should have been surveyed for this project	<ul style="list-style-type: none">• 2016 EIR concluded no potential for occurrence of the species on-site• 2021 biological resources assessment concluded no observable or expected habitat on-site

Appeal Issue 4: Fire Suppression

Appellant States:	Staff Response:
<ul style="list-style-type: none">The project is in an area with limited fire suppression capability and extremely limited evacuation paths	<ul style="list-style-type: none">SMCSD-Fire reviewed the project and included conditions of approvalCOA #31 requires SMCSD-Fire clearance prior to the recordation of each phase

Appeal Issue 5: Soil Contamination

Appellant States:	Staff Response:
<ul style="list-style-type: none">Potential for soil and groundwater contamination due to previous on-site use (airfield)	<ul style="list-style-type: none">Applicant submitted:<ul style="list-style-type: none">Phase 1 Environmental Site Assessment andPhase 2 Limited Subsurface InvestigationStudies concluded no known contaminants on-site and further investigation is not warranted

Appeal Issue 6: Various Findings & Conditions Concerns

Appellant states:	Staff Response:
<ul style="list-style-type: none">Multiple Findings and Conditions are questionable or raise concern	<ul style="list-style-type: none">Inadequate evidence was presented to warrant revisionsClarifying additions made to Finding F, COA #29, and COA #30

Appeal Issue 7: Project's Environmental Determination

Appellant states:	Staff Response:
<ul style="list-style-type: none">SMCPU certified EIR from 2016 is outdatedThis project presents substantial new information not previously known	<ul style="list-style-type: none">The project was designed to conform with SMCPUStaff analyzed project for consistency with SMCPU and adopted EIR, found consistentNo substantial new data indicating increased impacts were presentedProject received Conditional Will-Serve Letter from the SMCSDApplicable 2016 EIR mitigation measures have been carried forward as conditions of approval

It wouldn't have taken much research or conversation to clarify the reality associated with each of the claims. If the appellant had bothered to understand how each of the concerns would be answered, perhaps this colossal waste of time and money wouldn't have been necessary.

In the end, staff recommendations were adopted with some fine tuning regarding memorializing details such as a dedicated fallowing of a vineyard for water offset and conditions with the Environmental Impact Report.

The staff recommendations are as follows:

Staff recommends that the Board:

- Find that the project does not require additional environmental review pursuant to CEQA Guidelines Section 15183 because the project's development is consistent with the San Miguel Community Plan, for which an Environmental Impact Report was previously certified.
- Adopt the resolution to deny the appeal of Scott Raven and uphold the decision of the Planning Commission to approve the Phased Vesting Tentative Tract Map and Conditional Use Permit (N-SUB2022-00047) based on the Findings and the Conditions of Approval set forth in Attachment 2.

Final disposition of the appeal was continued until the June 2 BoS meeting, but it looks quite likely that the project will move forward.

Some political candidates are making a lot of silly fuss recently about how awful and downright horrible developers are. The inference is that they are so terrible that they shouldn't be trusted to participate in our political process.

Are Developers Bad People, or are Candidates Desperate?

Some candidates currently running for office are attempting to convince voters that support from developer/builders is a bad thing. They infer that support from builders/developers is somehow dirty politics. They suggest that there is something bad, awful, even horrible with developer/builders.

After all, who needs developers? All they do is build our homes, the schools our children attend, the stores where we buy our food and the hospitals we try to avoid but are happy to see when needed.

Developer/builders tend to be very active in the community, often contributing philanthropic support for a wide variety of local organizations. They incur great financial risk with so many of their projects and frequently don't see returns on their investments for several years. They employ all sorts of trades people. They buy materials from local suppliers. Most important, they have a vision of how to build needed projects, the patience and ability to navigate the many hurdles to completing those projects and the desire to provide a product that pleases the community.

When candidates and politicians criticize the involvement of developers' participation in local politics, they create the false image that developers must be bad. The natural next assumption is that if developer/builders are bad then development must also be bad. Yet, most of the very same politicians yammer on all day long about our local need for housing.

A favorite term used by some of our politicians is "non-profit builder". In their mind, such a builder is somehow exempt from the bad juju of a regular developer/builder.

To be clear, non-profit builders are great and provide a much-needed service to a particularly challenging very low-income housing market. But, they are developers, nonetheless.

There is another inference to the critical view of developers by some politicians. It suggests that elected officials are making land use decisions and if they receive support from developers, their judgment might be swayed. First, if that is the case, shame on the elected official. Second, if it's a problem with developers/builders, why isn't it a problem with labor unions, chambers of commerce or environmental groups?

Building something - anything in San Luis Obispo County involves overcoming a plethora of impediments. One of the biggest is the attitude that a builder/developer

is somehow doing something wrong. This plays out from the first visit to a planning commission counter to begin the process (as noted in the recent KPMG audit) all the way through hearings, inspections and final sign off. It's a wonder that builder/developers put up with it, and it's no surprise that so many have moved to other forms of building where they can focus on productivity rather than confrontation.

When the public is told that developer/builders are bad, their level of NIMBYism grows. Who would want one of those disgraceful builder/developers working nearby? When a project comes along in their community, it gets cast in that bad light and resistance kicks in.

With an enormous housing shortage in San Luis Obispo County, and lots of other challenges to meeting our housing needs, the last thing we should see is political driven resistance.

Singling out one legitimate profession and castigating the people in that profession as somehow being untrustworthy or inappropriate for participation in our elections process is unwise. It really says more about the accuser, but it also twists the truth and ignores so many important attributes.

The small mindedness of criticizing the free and lawful participation of developer/builders is harmful and unproductive. It is an undeserved insult to builder/developers and it is essentially an admission of guilt by the accuser that he or she is vulnerable to influence from certain segments of our society. Instead of making baseless accusations and insinuations, perhaps the accuser should spend more time understanding developer/builders – especially the challenges that they overcome to be successful and the contributions that they make to all of our daily lives.

Pointing fingers, making baseless insinuations and allowing one's personal biases justify discrimination against any lawful segment of our society is a simple display of desperation. Candidates should stand on their own merit. If they need to rely on empty insulations about their opponent, they do not deserve to serve.

Hiring and Keeping County Employees

Our county currently employs 2,653 people, making it the largest local employer. We know this because a state law, AB 2561, requires counties to report annually on the status of their employee inventory. The bill is designed to empower workforce bargaining units as they negotiate salary and benefits for their members.

Here is an illustration of how the law works:

AB 2561 General Requirements

Mandates that public agencies annually assess & report on vacancy and recruitment data at a public hearing before finalizing the budget



The purpose is to address understaffing and promote transparency and accountability

The May 5 report didn't mention the average salary, but we know that many employees make well north of \$150,000 per year – and that's before benefits. Certainly, a fair number make far less than that. If we assumed a median average of \$100,000 salary, that would equate to over \$265,000,000 in employee expenses, and that doesn't include health and pension packages. That, against a \$1 billion county budget.

Here are some interesting statistics about the workforce:



43.5% 56.4%



42
Median Age
(47 in 2015)



40.6% Non-White
Ethnic Origin
(38% in year 2024)



6.6 Years
Median Time in Service
(8.98 years in 2014)



73.1% Tier 3
Pension Status
(61.5% in 2023)

Because the cost of living in SLO county is so high, largely due to housing costs, recruiting qualified employees is a challenge. Interviewing quality perspective candidates often ends up with the ideal person declining because they can make their salary go much further in other parts of the state.

Retaining good employees is equally difficult for the same reason. Here are some of the steps towards employee retention:

-  Competitive wages and benefits
-  Improved job specifications
-  Flexible/alternative work schedules
-  Learning and development opportunities
-  Family Friendly Workplace
-  Career mobility

It is a confounding situation. On one hand, we want to interact with qualified and able people when county business is done. On the other hand, when county staff salaries exceed local median salaries, it makes people wonder who is working for whom? Many feel that the county workforce is overgrown and that some staff products are simply make-work justifications for their position.

Can You Hear Me?

Change is coming to the San Luis Obispo County Board of Supervisors meeting format. A bill passed last year in the state legislature, AB 707 requires that members of the public wishing to participate and comment (at appropriate times) during a Board of Supervisors meeting have access via remote connection.

Here are the details of the legislation:

- Enacted into law in 2025
- Substantive amendments to the Brown Act effective July 1, 2026
- Mandates **virtual access** for Board meetings
- Requires people attending virtually to be provided **“the same time allotment as persons attending in person.”**

The following additional requirements also apply:

- Requires the Board prior to July 1, 2026, to **adopt a policy** establishing procedures for recessing and reconvening the meeting in the event of a disruption in internet service.
- If there is a disruption in internet service, cannot reconvene unless: (1) service is restored; or (2) at least one hour has elapsed and the Board makes a finding that good faith efforts have been made and the public interest in continuing the meeting outweighs the interest in remote public access.
- Also requires certain translation services which do not apply to the County of San Luis Obispo
- Requires online agenda information to:
 - Explain the public meeting process;
 - The process for virtual attendance; and
 - A calendar of meeting dates, times and location
- Must make reasonable efforts to invite non-English speaking groups
- Must make certain accommodations for translators

The logistics of including teleconferencing at board meetings are complicated. An expenditure of nearly a quarter of a million dollars was approved for technical equipment support. Item 17 on the agenda read:

Request to: 1) approve the creation of a project (WBS 360046) in Fund Center (FC) 266 - Countywide Automation Replacement to acquire and install updated audiovisual (AV) equipment in select conference rooms

within the Katcho Achadjian Government Center to support efficient and effective meetings and 2) approve a corresponding budget adjustment to transfer \$209,807 in available funds from the Board Chambers Audiovisual Upgrade project (WBS 360032) and \$26,367 from FC 266 – Countywide Automation Reserve to the Conference Room AV project (WBS 360046), by 4/5 vote.

We wonder what such a huge chunk of Other People’s Money buys and whether it was completely necessary, but welcome the opportunity for greater participatiobn from the public.

Concern was raised about the potential for inappropriate presentations. This is based on past problems where pornographic presentations, foul language and off topic ranting has occurred. The policy adopted by our BOS will allow for teleconferencing but not zoom. Commenters will have the same time limits and be expected to abide by the same rules as in-person speakers.

The complete formal rules can be found at the following address:

<https://agenda.slocounty.ca.gov/iip/sanluisobispo/file/getfile/177617>

Driving from the far corners of the county, paying to park and sitting through hours of meeting business just to make a three-minute remark is discouraging. This accommodation will make it much easier for people with disabilities and people who need to travel long distances to participate.

We will publish the details of how to engage via telephone as soon as they are available.

A Timely, Bold and Innovative Idea?

As the May 5 B0ard of Supervisors meeting was concluding, Supervisor Paulding made a request of staff to explore funding support for additional spending on transportation by the county.

We couldn't agree more that the county should be putting more resources into transportation. However, there are a few curious points about Paulding's request:

The first is that he was part of the board shift in priorities that reduced the focus on transportation. Is he willing to admit that was a mistake?

Second, he has recently claimed that the Board continues to prioritize transportation, citing the funding for storm damage repair and highlighting the whole six million dollars that the Board commits to transportation projects annually (without ever including cost of living increases).

Third, we will likely have a half-cent sales tax measure for transportation funding on the November ballot. Is he proposing additional funding on top of that, even if it passes?

Fourth, he didn't make it clear whether he proposes supplanting funding already within the budget for other things or whether he wants to see new revenue sources (taxes).

Fifth, he didn't say if transportation funds should go to bike paths and public transit projects or whether it should go for roads. Why not?

Sixth, why make such a request now? Does his re-election campaign have anything to do with it? Will we see campaign ads and flyers touting his deep-rooted support for transportation?

We hope that somehow Paulding has had an epiphany and now believes that more of our tax dollars should be spent on our roads. You be the judge.

The Never Ending Fee Increases

Fees, much like bridge tolls and most taxes, always seem to increase over time. The cost of doing business with San Luis Obispo County is no different.

In November of 2025, the BoS reviewed and approved a wide variety of fee increases designed to recover the full cost of providing services. However, the Board requested that 16 of those fees be reviewed.

Two of those were for land conservation, and the original proposed fee was reduced as follows:

Agricultural Preserve Fees				
Fee Indicator No.	Fee Detail	FY 25/26 Fee Amount	FY 26-27 Previously Introduced Fee Amount	FY 26-27 Revised Proposed Fee Amount
1003	Agricultural Preserve - Application for Land Conservation Contract (New, Replacement, or Amendment)	\$2,336	\$8,487	\$5,539
1007	Agricultural Preserve - Williamson Act Land Conservation Contract - Compliance Review with APRC Hearing/Referral Response	\$925	\$5,017	\$1,607

There was never an explanation about why land conservation permit proposals were so high, and even the lower amounts seem expensive. The following six land use fees were all increased from original proposals based on reviews of actual time involved for the production of the related work:

Land Use Fees - Fixed Fees (Previously Categorized as a Deposit Fee)				
Fee Indicator No.	Fee Detail	FY 25-26 Current Fee Amount	FY 26-27 Previously Introduced Deposit Amount	*Revised* FY 26-27 Proposed Fee Amount
1204	Substantial Conformance Determination	N/A - Consolidation (\$1,368 - \$2,656)	\$2,000	\$2,733
1702	Lot Line Adjustment - Minor	\$3,406	\$4,000	\$4,079
1708	Urban Lot Split	\$1,953	\$4,000	\$5,809
1810	Site Plan	\$3,174	\$4,000	\$4,431
2705	Focused Initial Review	N/A - new fee	\$4,000	\$5,471
2801	Technical Study / Peer Review	N/A - Consolidation (\$562 - \$3,344)	\$2,000	\$3,541

Land use deposit fees were also revised. The deposits are used against what is called Full Cost Recovery which involves staff logging the actual time put into a project and billing for that time. Most deposits were lowered and a vigorous discussion of how to keep staff time as productive and predictable as possible took place. Here is a list of those deposits:

Land Use Fees – Deposit Based Billing				
Fee Indicator No.	Fee Detail	FY 25-26 Current Fee Schedule Amount	FY 26-27 Proposed Deposit Amount	FY 26-27 Average Fee at Cost
1202	Amendment to Approved Land Use Permit / Subdivision - RTB Deposit	\$7,898	\$4,000	\$9,943
1410	Condition Compliance / Mitigation Monitoring - RTB Deposit	N/A – Consolidation (\$1,076 - \$1,801)	\$2,000	\$3,933
1703	Lot Line Adjustment - Major - RTB Deposit	\$5,387	\$4,000	\$10,503
1705	Parcel Map - RTB Deposit	\$10,756	\$8,000*	\$14,088
1707	Tract Map - RTB Deposit	\$12,126	\$8,000*	\$17,567
1802	Conditional Use Permit / Development Permit - RTB Deposit	\$8,005	\$8,000*	\$14,785
1808	Minor Use Permit - RTB Deposit	\$4,933	\$4,000	\$9,602
812	Variance - RTB Deposit	\$10,740	\$8,000*	\$11,985

Several of the deposits above were reduced to \$8,000 vs. \$10,000. Those have the * above.

In addition to revising current fees, a New Building Fee was added to the list:

New Building Fee			
Fee Indicator No.	Fee Detail	FY 25-26 Current Fee Amount	FY 26-27 Proposed Fee Amount
3758	Reinspection	N/A – New Fee	\$160

We appreciate the review of the fees, and we support the idea of not charging all taxpayers for single use project costs, but it is a little confounding to know that we pay taxes to have a county government that includes a Planning and Building Department – yet when we use the services of that department we are charged for their time.

Now is Your Chance to Make a Difference

Now is the time to help the candidates of your choice get elected. You can make an important difference with just a little of your time. Below is a list of websites for the top races in the county. If you are inspired by other candidates, their contact information shouldn't be hard to find. Each of the political parties also have websites with information about how you can get involved and which candidates they have endorsed.

verdiforsupervisor.com
<https://verdiforsupervisor.com>

jimmypaulding.org
<https://jimmypaulding.org>

woodyforsupervisor.com
<https://www.woodyforsupervisor.com>

jimdantona.com
<https://jimdantona.com>

The two major parties also need help. Find them at:

rpsloc.org
<https://www.rpsloc.org>

slocdp.org
<https://www.slocdp.org>

Precinct walking is fun and valuable help. Assistance in headquarters is important. Financial contributions, even modest ones, are critical.

Help make Democracy great again by participating.

Emergent Trends
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**Governor Gavin Newsom Gaslights his Way
Through the May Budget Revision**

**Trump Admin Freezes \$1.3B in Medicaid
Funds to California Over Hospice Fraud**

COLAB in Depth
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**High-Speed Rail Shuffle: Bay Area Cronies Board
the Boondoggle While the Central Valley Gets the
Shaft**

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Arroyo Grande (CA) 93420

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www.byron-grant.com



Governor Gavin Newsom Gaslights his Way Through the May Budget Revision

'Now he's increasing taxes on employers by \$5 billion in a move that will devastate our beleaguered business community'

By Katy Grimes, May 14, 2026

“Governor Newsom’s revised budget proposal is a fiscally disciplined, balanced plan that cuts the long-term deficit by more than half and tightens Sacramento’s belt — while supporting our most vulnerable Californians amid Donald Trump’s cruel assault on the state,” says Governor Newsom. “As Trump attacks healthcare, education, and working families, California is staying focused on protecting essential services while advancing fiscal responsibility and affordability.”

California Governor Gavin Newsom unleashed his Trump Derangement Syndrome Thursday during his May budget revise press conference for the first 10 full minutes, blaming the President’s policies—especially tariffs— for contributing to a worsened budget outlook.

But hey! Gov. Gavin Newsom’s final May budget revise is “miraculously balanced,” he says.

Gov. Newsom said he was not only handing off a balanced budget for next year to a new governor, his two-year budget will be balanced in 2028 as well.

Pardon my snicker.

Newsom proposed roughly \$322 billion in total spending and about \$226 billion General Fund spending. His budget revise projected a \$12 billion deficit for 2025-26.

It is important to note that the Legislative Analyst’s Office (LAO) warns, “deficits have persisted even as the state’s economy and revenues have grown, underscoring that the problem is structural rather than cyclical.”

The May budget revise updates his January budget proposal and incorporates the latest revenue forecasts from April tax receipts.

Newsom described this budget as fiscally disciplined and claimed that it eliminates the projected deficit, reduces spending, builds reserves, and protects core services amid economic uncertainty and federal policy pressures.

Here is his X post touting zero deficits:

California's fiscal future is on a stronger footing for the years to come.

\$0 deficit THIS budget year.

\$0 deficit NEXT budget year.

\$0 structural deficit through July 2028.

Long-term deficit: Cut by more than half.

SacCPA retorted, "ANYTIME a politician adds a modifier in a sentence you know they are hiding something. The modifier here is 'structural.' We know there was a projected deficit in the billions just a month ago."

He's right.

Senate Minority Leader Brian W. Jones (R-San Diego) summed up the Governor's shenanigans nicely:

"This budget just further illustrates what we already know: this governor is a fiscally irresponsible tax-and-spend grifter who cares only about growing his own financial and political capital, not about serving the people of California by boosting or protecting our quality of life.

He's defied the voters and destroyed public safety by defunding Prop. 36. Now he's increasing taxes on employers by \$5 billion in a move that will devastate our beleaguered business community – a business community teetering already thanks to his refusal to pay off the state's federal unemployment insurance debt. But sure, let's just keep spending and taxing with nothing to show for it in the end but a decimated economy and highest in the nation cost of living."

California's nonpartisan LAO also directly contradicts Newsom's claims from their January budget analysis, showing "chronic" multiyear budget deficits.

The LAO directly highlights large multiyear deficits in its January 2026 analysis of Governor Newsom’s proposed 2026-27 budget.

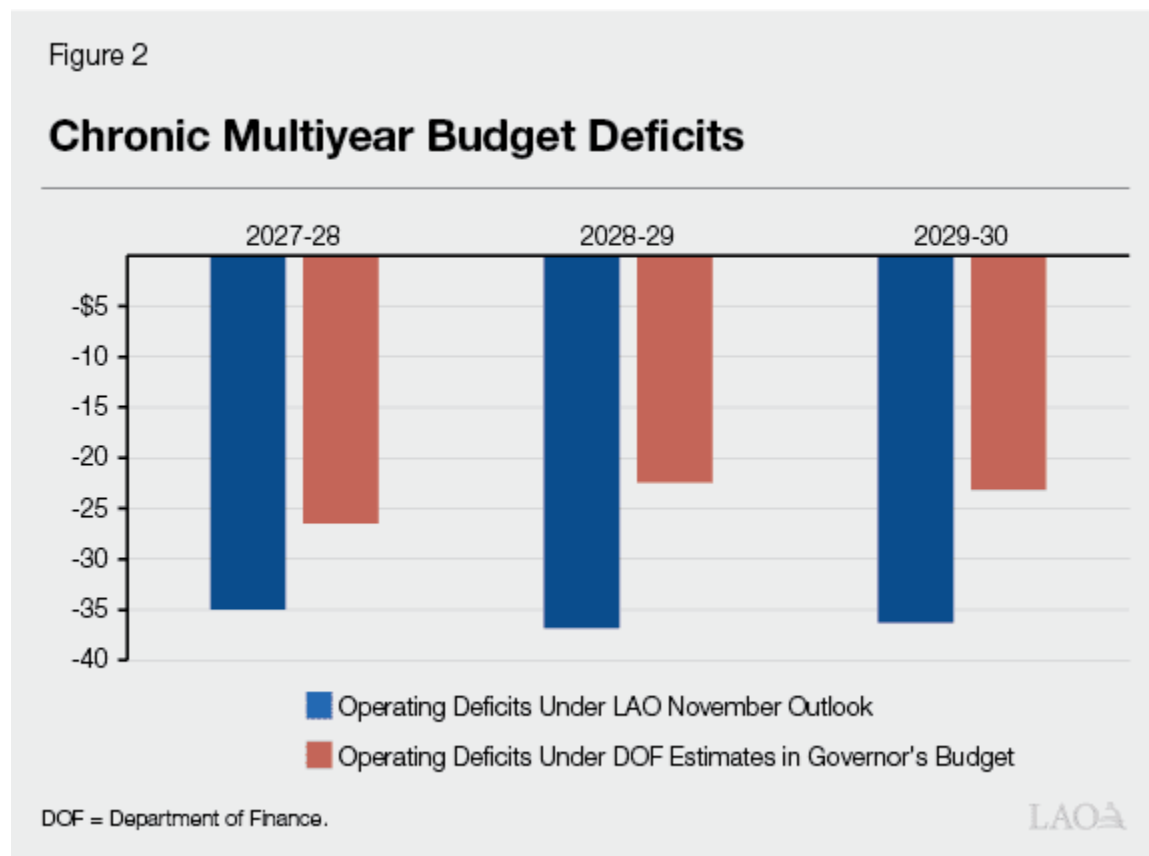
Key LAO Projections (Under Governor’s Revenue and Budget Assumptions)

- 2027-28: ~\$27 billion operating deficit.
- 2028-29: ~\$22 billion deficit.
- 2029-30: ~\$23 billion deficit.

These are the years Newsom claims deficits are \$0.

These figures come straight from the LAO’s **Overview of the Governor’s Budget**, published January 12, 2026. The LAO notes this is the fourth consecutive year of projected multiyear shortfalls, even with recent revenue gains, largely from stock market and AI-related income taxes.

The LAO was even kind enough to make a pretty graphic, highlighting their realistic projections, and the Department of Finance’s rosy projections:



Notably, the Department of Finance works exclusively for the Governor.

The LAO reports:

Chronic Multiyear Budget Deficits Remain. For the fourth year in a row, our office and the administration are forecasting multiyear budget shortfalls. Under the administration’s proposed budget and revenue assumptions, the state faces operating deficits of \$27 billion in 2027-28, \$22 billion in 2028-29, and \$23 billion in 2029-30, as seen in Figure 2. In November, our office projected the state faced deficits around \$35 billion per year, with much of the difference attributable to our lower revenue estimates.

The LAO viewed the near-term budget as “roughly balanced” under those assumptions but called the multiyear outlook “alarming” and structural—driven by spending growth, outpacing revenues long-term.

The LAO says deficits persist “even as revenues grow” — meaning it’s structural by definition.

The LAO also has some serious concerns:

Stock Market Poses Serious Risk to Revenues. As we discussed in our *Fiscal Outlook*, several historically reliable signs suggest the stock market is overheated and at high risk of reversing course into a downturn in the next year or so. Should a stock market downturn occur, income tax revenues would fall considerably. These risks are severe enough that not incorporating them into this year’s budget, as the Governor proposes, would put the state on precarious footing. Further amplifying this precariousness, even under the administration’s more optimistic revenues, the budget is only roughly balanced in the near term.

Multiyear Budget Deficits Alarming. Both our office and the administration expect the state to face multiyear deficits, with estimates ranging from \$20 billion to \$35 billion annually. These deficits are concerning for three reasons. First, after four years of projected deficits and a cumulative total of \$125 billion in budget problems solved so far (see Figure 4), the state’s negative fiscal situation is now chronic. Second, as we pointed out in our *Fiscal Outlook*, structural deficits have grown—our November outlook is the most negative forecast of the budget’s position since the pandemic. Finally, deficits have persisted even as the state’s economy and revenues have grown, underscoring that the problem is structural rather than cyclical. Taken together, these trends raise serious concerns about the state’s fiscal sustainability.

Republican lawmakers weighed in:

“The governor missed the opportunity to finally present a sustainable and transparent budget,” said Senator Roger Niello (R-Fair Oaks), vice chair of the Senate Budget Committee. “Rather, his final performance today was a magic show full of tricks to fool the people. The governor may tout the increase in revenue all he wants, but if he and the Democratic party do not address the seriousness of continued deficits, Californians will pay the price for years of fiscal irresponsibility.”

“Despite record revenues this year, California’s long-term fiscal outlook remains deeply concerning,” said Assemblyman David Tangipa (R-Fresno), vice chair of the Assembly Budget Committee. “This budget reflects a pattern of deferred decision-making — kicking structural problems down the road for the next governor and legislature to inherit. Governor Newsom appears to define fiscal success narrowly: if the budget doesn’t collapse on his watch, it’s a balanced one. This boom-and-bust approach to budgeting is simply not sustainable.”

“Since Newsom became governor, state spending grew by 76%, from \$140 billion to the \$247 billion proposed for 2026-27. This major imbalance, known as a structural deficit, will continue for the foreseeable future.”

“The May Revise failed to adequately address the budget priorities Senate Republicans have been advocating for all year.”

“This budget just doesn’t do it. We’re spending billions on the wrong priorities while we can’t even fully fund the basic things Californians actually need: wildfire prevention, funding Prop. 36 to get people the help they need, fixing our roads. We need to pass a budget that actually gets those things done,” said Assembly Republican Leader Heath Flora (R-Ripon).

The Legislature must pass a balanced budget by June 15, 2026, with the new fiscal year starting July 1. Negotiations will now intensify. For the full details:

- Governor’s May Revise press release: gov.ca.gov/2026/05/14/may-revise/
- Official factsheet (PDF): [May-Revise_Factsheet.pdf](#)
- Complete budget documents: ebudget.ca.gov

Here is Gov. Newsom’s one-pager “factsheet”:



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.

Trump Admin Freezes \$1.3B in Medicaid Funds to California Over Hospice Fraud

VP Vance: 'There are California taxpayers and American taxpayers who are being defrauded because California isn't taking its program seriously'

By Megan Barth, May 14, 2026

In the latest escalation of the Trump administration's crackdown on waste, fraud, and abuse in federal health programs, Vice President JD Vance announced Wednesday that the federal government is deferring \$1.3 billion in Medicaid funds slated for California due to the state's ongoing failure to tackle fraud in its Medi-Cal program.

Joined by Centers for Medicare and Medicaid Services Administrator Dr. Mehmet Oz, Vance detailed a nationwide six-month moratorium on new Medicaid enrollments for hospice and at-home care services. The move comes as the administration has suspended payments to roughly 800 hospice providers in the Los Angeles area alone, entities that have billed taxpayers an estimated \$1.4 billion. Oz noted that one-third of all hospice programs receiving federal assistance in the United States are concentrated in Los Angeles County.

"There are California taxpayers and American taxpayers who are being defrauded because California isn't taking its program seriously," Vance stated. "They don't

think the fraud is a big enough problem. They don't care about protecting that Medicaid program.”

The vice president, who leads the White House's anti-fraud task force targeting welfare abuse in high-risk states like California, emphasized that many states, including Democrat-led ones such as New York, Minnesota, and Maryland, have failed to utilize fraud deterrence programs effectively. He cited Hawaii's zero indictments or convictions despite receiving federal funds to combat fraud as a prime example of negligence.

This latest action builds directly on efforts the *California Globe* has tracked since early this year. In February, the *Globe* reported on the White House's announcement that Vance would lead a new anti-fraud task force aimed squarely at Governor Gavin Newsom's failures to address rampant fraud in multiple government entities. Recently, Dr. Oz highlighted the state as an “epicenter” for hospice and home-health fraud in Los Angeles. The response from California Democrats? Dr. Oz was a racist.

Yet, as the *Globe* detailed in March and April, **independent investigations and federal probes** have exposed explosive growth in LA's hospice sector—a 1,500 percent surge in providers since 2010 while the senior population grew by only 40 percent—alongside “phantom care,” ghost offices, and over-billing estimated in the hundreds of millions.

My own April reporting on “Operation Never Say Die” documented federal arrests in a \$50 million Medicare scam, coordinated with Vance's task force, which had already suspended 221 hospice and healthcare providers in LA at that time (a figure that has since more than tripled). “Operation Never Say Die” was coined by the feds because the reported hospice patients never died, because they never existed or were fraudulently enrolled as hospice patients.

Additional *Globe* coverage has continually underscored how **state audits dating back years** had flagged these vulnerabilities, yet Sacramento's response remained inadequate even as billions flowed out the door.

Oz made clear the moratorium is targeted: “There will be no new hospices. We're not taking any services, but there will be no new ones.” The administration is also imposing heightened oversight on hospice providers in Arizona, Georgia, Ohio, Nevada, and Texas, and launching a fraud-identification pilot in North Carolina, Ohio, Oklahoma, and Texas. All 50 states have now responded to federal letters demanding revalidation of Medicare and Medicaid providers.

Vance called on states, including California, to cooperate. “We've had some good cooperation with both red states and blue states,” he said. “We want to save the American people money, but we're also trying to preserve programs that exist for

the benefit of the American people. We're also trying to make sure that we do this in a way that's defensible."

Newsom's press office responded that "Vance and Oz are attacking programs that keep seniors and people with disabilities OUT of nursing homes. Pretty sick."

Despite Newsom's Press Office protest, "a 2022 California State Auditor report documented a 1,500 percent surge in hospice agencies in Los Angeles County since 2010, a density more than six times the national average relative to the county's elderly population. By 2019, those agencies had likely overbilled Medicare by \$105 million in a single year. That report was filed away and left to collect dust," we reported.

As Vance's task force continues its work, the message from Washington is unmistakable: taxpayer dollars are no longer an open checkbook for states that refuse to root out fraud. California taxpayers, long burdened by one-party rule and unchecked spending, may finally see relief, provided Sacramento Democrats chooses cooperation over denial.



Megan Barth

Megan Barth is the Executive Editor of The California Globe and former, founding editor of the Nevada Globe. Specializing in investigative reporting, her work has appeared in national and local news. The highlights of her career include interviewing President Donald Trump, Vice President J.D. Vance, and FBI Director Kash Patel. When she isn't editing, writing, or talking, you can find her hiking and relaxing in Northern Nevada.

High-Speed Rail Shuffle: Bay Area Cronies Board the Boondoggle While the Central Valley Gets the Shaft

The same labor interests that helped finance Democratic campaigns now occupy chairs at the table deciding where the next billion flows

By Jay Rogers, May 15, 2026

Fresno developer Tom Richards spent sixteen years trying to steer California's high-speed rail project toward something resembling a real outcome. Last week he stepped down as board chair of the **California High-Speed Rail Authority**. Governor Gavin Newsom's response: appoint two Bay Area political insiders—Steve Kawa of Cloverdale and Jason Elliott of San Francisco—to fill vacancies left by Richards and Sacramento attorney Nancy Miller.

That tells you everything about where Sacramento's priorities actually live.

Approximately \$15 billion spent. Zero miles of operational high-speed track. And now the oversight board that was supposed to hold this project honest just traded a Central Valley voice for two more loyalists from the governor's old San Francisco network. Kawa served as Newsom's chief of staff during his tenure as San Francisco's mayor. Elliott was Newsom's policy advisor in city hall and later his deputy chief of staff in Sacramento from 2022 to 2024. Neither of them has spent meaningful time in the communities absorbing the construction dust, the noise, and the debt.

I moved to California in 1990 when housing was still within reach for working families and government occasionally felt obligated to deliver on its promises. Thirty-five years later, I'm watching the same machine turn the 2008 voter-approved commitment of a **\$33 billion bullet train** completed by 2020 into a concrete-and-studies festival with almost nothing to show for it. The Authority's own current business plan now puts the total cost at **\$126.3 billion**. Critics using the unoptimized scenario in the Authority's own data land at **\$231 billion**. Either figure

represents a catastrophic failure of public finance, and either one demands an honest explanation Sacramento has never offered.

The money didn't evaporate. It went to consultants, environmental reviews that outlast election cycles, land acquisitions, and a **change-order machine that ran up more than \$2.3 billion on 597 amendments alone** as of November 2025, nearly 7% of the original estimate in contract modifications before a single train has run. The Central Valley, where the first segment was supposed to prove the concept, keeps being treated as an afterthought. Richards, a Fresno native who lived near the route and understood its communities, is out. Two political consultants from the Bay Area who ran Newsom's offices are in. The directional signal from Sacramento could not be clearer: decisions will keep flowing toward the coast, not toward the communities bearing the actual consequences.

This isn't pure incompetence. It's the predictable output of single-party governance married to organized labor's campaign finance apparatus. Unions backed this project because it meant thousands of good-paying jobs funded by taxpayers. That's a reasonable arrangement in theory, except when the jobs become permanent and the train never arrives. The same labor interests that helped finance Democratic campaigns now occupy chairs at the table deciding where the next billion flows. I've spent three decades structuring private credit deals and advising family offices on capital allocation. No private-sector project I've ever worked on would survive this level of delay and cost inflation without someone being fired or investors pulling capital. In Sacramento, that performance earns you a board appointment.

Consider the opportunity cost. California's 2022 five-year maintenance plan documented **\$84 billion in deferred infrastructure needs**, more than \$61 billion of it in transportation alone. The state's roads, bridges, and water systems are deteriorating while money chases a train that, by the Authority's own revised plan, won't run a full San Francisco-to-Los Angeles route until approximately 2040. Any of those pressing needs would have produced measurable, usable results years ago. High-speed rail has produced press releases, union gratitude, and a permanent excuse for the next appropriation request.

Critics will frame opposition to this project as being "anti-infrastructure." That's a lazy argument. Real infrastructure shows up on time, stays within budget, and actually gets used. The Marines taught me that lesson in 1988—mission first, excuses never. California's rail authority has inverted both priorities. The Authority now says first tracks in the Central Valley are **on pace for December 2026**, which is essentially the same promise we heard in 2015, with different names on the press release. The original scope—San Francisco to Anaheim—was quietly narrowed to

Merced to Bakersfield under Newsom in 2019. Lou Thompson, who formerly chaired the independent Legislative Peer Review Group, wrote to state leaders in March calling the entire effort a “dead end.” The Trump administration’s Federal Railroad Administration reached much the same conclusion, recommending termination of approximately \$4 billion in federal grants in June 2025 after finding no viable path to revenue service.

The fix isn’t another study or another insider appointment. Require the Authority to meet hard, publicly reported milestones—track laid, ridership projections validated, costs held to the current business plan—or trigger an automatic funding freeze. Redirect unspent bond money and cap-and-trade allocations to the infrastructure Californians actually use today: roads, bridges, ports, and housing. Audit every contract for union favoritism and political connections. Cap board terms so no one converts a gubernatorial appointment into a patronage career.

I’ve watched this state slide from aspirational to absurd under one-party rule. High-speed rail isn’t an isolated failure, it’s the operating model. Accountability is optional; cronyism runs the calendar. Fresno just lost its board chair. The rest of California is still waiting for the train. Until Sacramento stops handing out board seats to Bay Area insiders and starts delivering actual results, the only high-speed thing in this state will be the exodus of the people and capital who’ve finally run out of patience.



Jay Rogers

Jay Rogers is a financial professional with more than 30 years of experience in private equity, private credit, hedge funds, and wealth management. He has a BS from Northeastern University and has completed postgraduate studies at UCLA, UPENN, and Harvard. He writes about issues in finance, constitutional law, national security, human nature, and public policy.

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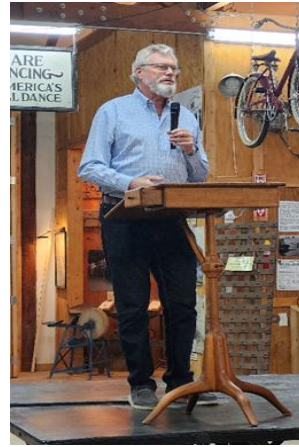
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