COLAB San Luis Obispo County

The Coalition of Labor Agriculture and Business

WEEKLY UPDATE JUNE 11-17, 2023

THIS WEEK

BOARD OF SUPERVISORS BUDGET WEEK

$966 MILLION "STATUS QUO"

LOCAL AGENCY FORMATION COMMISSION

LAST WEEK

BOARD OF SUPERVISORS MEETING

APPOINTMENT OF SUPV'S ORTIZ-LEGG AND PAULDING TO 3CE POLICY BOARD – FOXES WATCHING THE MULTI-BILLION DOLLAR HEN HOUSE

SUPERVISOR GIBSON'S TRICKY "WATER EQUITY" PLOY

NATIVE AMERICAN DAY TO REPLACE COLUMBUS DAY

PASO BASIN WATER TO BE CONTROLLED BY SPECIAL DISTRICTS – MATTER SENT TO LAFCO -- COUNTY WILL CEDE CONTROL OF 45,000 ACRE FEET

NEW FIRE TAX IN WORKS

LACKS ESTIMATES FOR PER PARCEL COST

LAND USE CHANGES FOR MONARCH DUNES

SLOCOG

REGIONAL HOUSING & INFRASTRUCTURE PLAN (HIP)

LAYING THE GROUNDWORK FOR A SALES TAX INCREASE

NEW SALES TAX INCREASE FOR TRANSPORTATION

TAX DOLLARS APPROVED FOR PROMOTION

YOUR TAX DOLLARS TO PURCHASE ELECTRIC VEHICLE CHARGING STATIONS FOR PRIVATE USE ILLEGAL GIFT OF PUBLIC FUNDS?

PLANNING COMMISSION

MIXED RESIDENTIAL/COMMERICAL PROJECT IN AVILA

RESUSCITATED 33-UNIT AFFORDABLE PROJECT IN CAMBRIA

SOME NICE BIG HOMES NORTHEAST OF ARROYO GRANDE

COASTAL COMMISSION

NEW LIMITATION ON COASTAL COMMISSION PUBLIC COMMENT – YOU GET 1 PER MEETING/MONTH

NO MAJOR SLO COUNTY ISSUES THIS MONTH

EMERGENT ISSUES

CALIFORNIA PUTS A PRICE ON SLAVERY'S LEGACY AND DRAWS A BLUEPRINT FOR REPARATIONS

SLO COUNTY SUPERVISORS ARGUE OVER RACISM RESOLUTION

BY KAREN VELIE

COLAB IN DEPTH
SEE PAGE 38

PROPERTY RIGHTS, CIVILIZATION, AND THEIR ENEMIES
BYTHOMAS J. DILORENZO

IS REMOTE WORK REALLY THE FUTURE?
WORKERS MAY BE HEADING BACK TO THE OFFICE FOR FIVE DAYS A WEEK SOONER THAN THEY THINK
BY ALLISON SCHRAGER

THIS WEEK'S HIGHLIGHTS

Board of Supervisors Meeting of Monday, June 12, 2023 (Scheduled)

Item 2 - Review of the Proposed FY 2023-24 Operating Budget.

In General: For at least the last 12 years, the Budget document has remained structurally (presentation-wise) the same except for some graphic improvements. The long term conceptual/structural issue continues to present a major opportunity for the County. The entire budget document and presentation should be restructured to enhance transparency, analytical tools, and comprehensiveness. Saying this is not meant to criticize the staff or any officials involved in the design and production of the budget personally. They need help. The new interim CAO signaled some changes but it is not clear what he means.

The Board will consider its $966.1 million budget. It is likely that they will propose no reductions and may well end up providing increases. At this point about $2.9, million in expansion requests (net of related revenue) have been requested by departments and recommended by the County Administrative Officer. The Board members may have more.
The write-up indicates they the staff made some small reductions to bring in a balanced proposal.

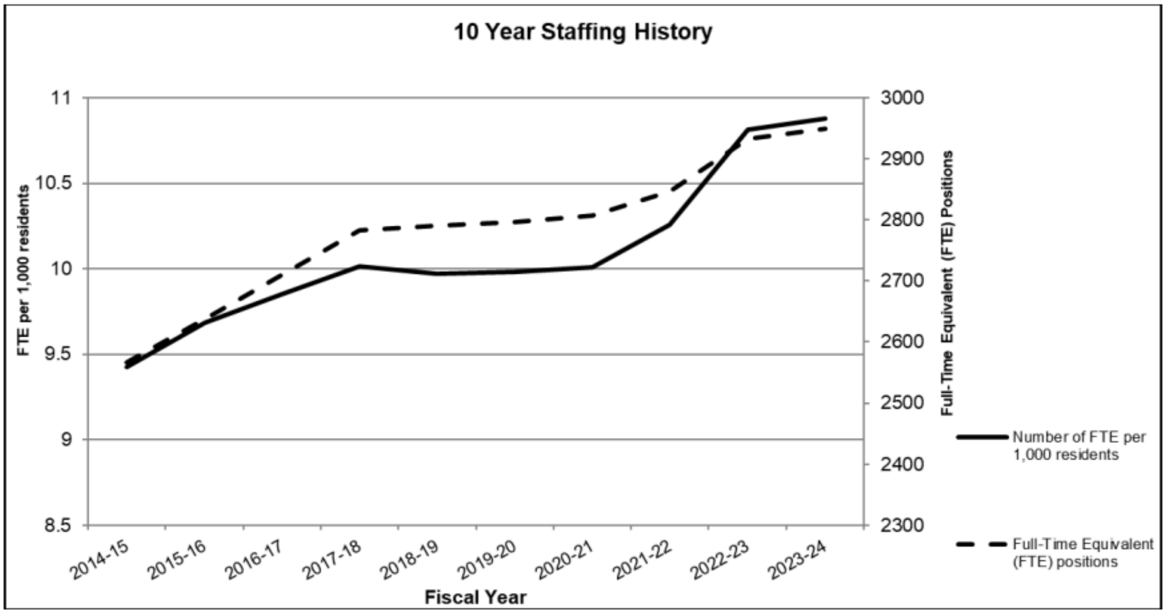
Budget Recommendations to Close the Gap (in Millions)

Recommendation for $5.1 M Gap	$ (5.1)
Trimming General Fund support by $1.8 million compared to departments' Status Quo submittals. These reductions do not represent cuts to any programs or services but are the result of an intensive effort to reduce expenditures that do not qualify as "Status Quo".	$ 1.8
Long-term structural budget reductions totaling $898 thousand in General Fund Support.	$ 0.9
Use of one-time General Fund Local Assistance and Tribal Consistency Fund (LATCF) funds.	$ 1.4
Use of one-time General Fund Rainy Day designation Reserves.	$ 3.9
Funding limited General Fund Budget Augmentation Requests.	$ (2.9)
Balanced Total	$ -

The table below displays the budget at the highest level of generality. The Board focuses on the $838.7 million total government funds portion.

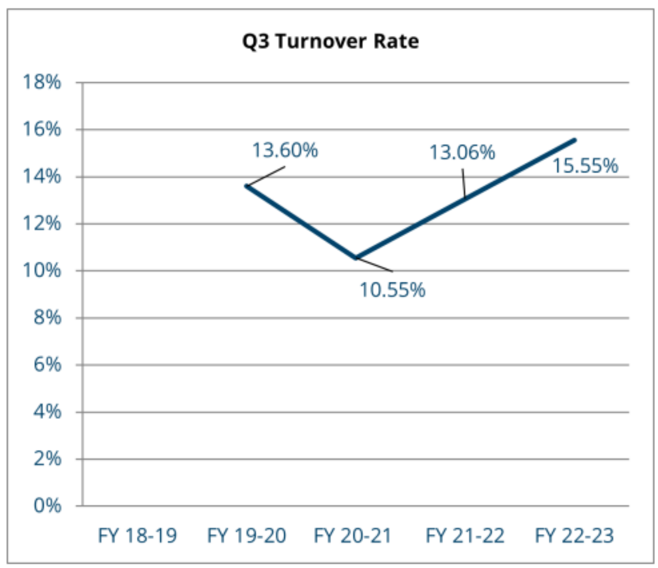
State Controller Schedules County Budget Act	County of San Luis Obispo All Funds Summary Fiscal Year 2023-24						Schedule 1
	Total Financing Sources				Total Financing Uses		
Fund Name	Fund Balance Available June 30, 2023	Decreases to Obligated Fund Balances	Additional Financing Sources	Total Financing Sources	Financing Uses	Increases to Obligated Fund Balances	Total Financing Uses
1	2	3	4	5	6	7	8
Governmental Funds							
General Fund	$ 43,879,431	$ 15,951,521	$ 649,150,373	$ 708,981,325	$ 703,768,927	$ 5,212,398	$ 708,981,325
Special Revenue Fund	2,064,462	5,443,168	87,035,016	94,542,646	79,932,106	14,610,540	94,542,646
Debt Service Fund	915,000	---	23,339,245	24,254,245	19,161,445	5,092,800	24,254,245
Capital Projects	---	---	10,975,405	10,975,405	10,975,405	---	10,975,405
Total Governmental Funds	**$ 46,858,893**	**$ 21,394,689**	**$ 770,500,039**	**$ 838,753,621**	**$ 813,837,882**	**$ 24,915,738**	**$ 838,753,620**
Other Funds							
Enterprise Fund	$ ---	$ 2,098,474	$ 30,511,647	$ 32,610,121	$ 31,694,438	$ 915,683	$ 32,610,121
Internal Service Fund	---	4,640,190	76,255,541	80,895,731	79,813,799	1,081,932	80,895,731
Special Districts and Other Agencies	2,295,312	2,700,752	8,846,763	13,842,827	13,612,181	230,646	13,842,827
Total Other Funds	**$ 2,295,312**	**$ 9,439,416**	**$ 115,613,951**	**$ 127,348,679**	**$ 125,120,418**	**$ 2,228,261**	**$ 127,348,679**
Total All Funds	**$ 49,154,205**	**$ 30,834,105**	**$ 886,113,990**	**$ 966,102,300**	**$ 938,958,300**	**$ 27,143,999**	**$ 966,102,299**

The overall County budget policy is simply to accept last year's costs as the base (status quo) and then add both as much natural revenue growth as possible and any new Federal and State revenues that occur. It then raises fees, proposes new taxes (a new 12/cent gas tax and a fire tax are under consideration for 2025 and going forward), and expands staffing.



As we have reported over the years, the County does not distinguish between the number of authorized positions (which it calls full time equivalents – FTE's) and the actual work hours filled per positions, which are the real FTE's. With the County's significant vacancy rate, this means that departments are under-running their budgets and the Board is over budgeting. The surplus then becomes bounty for increased salaries and bait to expand the subsequent year's budget.

Vacancies: The County Administrative Officer should generate a monthly vacancy report by department and division that lists the individual vacancies, their fully loaded value per pay period, the number of weeks the positions have been vacant, and the year-to-date accumulated savings. The savings should be differentiated by true local discretionary general fund and categorical (restricted) funds. The report should forecast any yearend balance. This will give the Board an idea of how much slack there is in the system. It will also give them an idea of how well they are planning and using the resources that the Board has provided.



Lost time: Similarly, the Administrative Office should generate a quarterly lost time (absence) report by department and division. Lost time is failure to report to work as scheduled for any reason. Note, "As scheduled" means that vacation, maternity leave, bereavement leave, training, etc., are not counted as lost time. The report should be broken down to show lost time from sickness, workers' comp, and AWOL. The hours lost should be expressed both in ordinate numbers and as percentages. Lost time in safety departments can generate the need for more employees and, of course, overtime required to fill "mandated" post positions. With 3000 employees, an average lost time rate of 5% would mean an average annual effective work force with 150 fewer employees.

Productive Time vs. Paid Time: Unlike private sector companies, the County does not measure how much paid time is actually work time in the aggregate**.** For example, employee X is paid for a standard 2080-hour work year (40-hour week), but not all of the 2080 hours are working hours. Employee X may receive 3 weeks of vacation, which subtracts 120 hours.

Employee X may be absent for a week with an illness, which subtracts 40 hours. He or she receives 11 paid holidays, which subtracts another 88 hours. All in all, employee X (assuming he or she arrives every day on time and does not leave early for lunch or quitting time) actually puts in only 1832 hours. Accordingly, 248 hours, or more than 10% of the hours paid, are not productive. If this ratio were true on average for the County's 3000 employees across the system, it means that of the 3000 employees paid, it as if 10% or 3000 never existed.

Working From Home: Working from home is based on the idea that as long as the work gets done, it doesn't make any difference. However, this is really only true for project type work with a beginning, an end, and a specified product. It really fits gig workers and piece work workers, but is not appropriate for staff who are paid every 2 weeks no matter what. For example, deliver the novel, software code, or whatever by a date certain. Even with that category, the lack of intellectual interaction, accidental encounter, team spirit, and all is highly detrimental. Then there are the obvious distractions, feeding the baby, receiving the appliance repair guy, watching the roast, patting the dog, etc., etc.

Intellectual, analytical, and creative work are best performed in silence and when the person is in the "zone." The presence of children, pets, and other distractions is detrimental. See the COLAB In Depth article on page 47 for an update on the problems of working at home.

Some Departments underrun their salary accounts in the current year, yet are budgeted large salary account increases in the subset year:

	FY 2022-23 Adopted	FY 2022-23 Estimated	FY 2023-24 Requested	FY 2023-24 Recommended	Change from FY 2022-23
Planning Department					
Salary and Benefits	$17,189,785	$15,508,476	$16,979,377	$17,190,210	$425
Services and Supplies	$2,796,633	$5,193,519	$2,867,952	$2,920,593	$123,960
Other Charges	$0	$153,980	$30,000	$336,000	$336,000
Gross Expenditures	**$19,986,418**	**$20,855,975**	**$19,877,330**	**$20,446,803**	**$460,385**

In this case the Department was budgeted at $17.2 million but only ran at $15.5 million, a $1.7 million underrun. Why not leave them at $15.5 plus any negotiated raises, and then see what happens? There are no indicia that giving Planning more staff will speed up the permitting process in any case.

Some other examples include:

Public Works

Salary and Benefits	$36,066,571	$34,866,635	$39,145,609	$39,145,609	$3,079,038
Services and Supplies	$9,255,015	$9,399,523	$9,437,535	$9,437,535	$182,520
Other Charges	$1,584	$7,331	$7,303	$7,303	$5,719
Capital Assets	$1,190,000	$1,190,000	$1,997,300	$1,997,300	$807,300
Gross Expenditures	**$46,513,170**	**$45,463,489**	**$50,587,748**	**$50,587,748**	**$4,074,578**

Behavioral Health

Salary and Benefits	$42,355,218	$39,735,182	$46,521,370	$46,894,179	$4,538,961
Services and Supplies	$54,791,784	$61,375,172	$59,550,686	$59,553,586	$4,761,802
Other Charges	$2,069,745	$2,228,745	$2,069,745	$2,069,745	$0
Gross Expenditures	**$99,216,747**	**$103,339,100**	**$108,141,801**	**$108,517,510**	**$9,300,763**

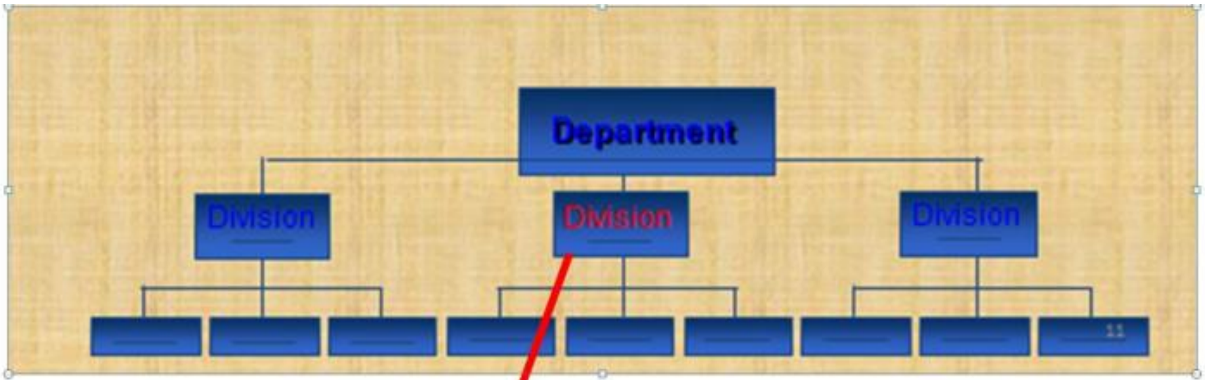
Public Health

Salary and Benefits	$39,900,389	$33,211,366	$35,739,187	$35,868,225	$(4,032,164)
Services and Supplies	$16,381,301	$14,639,419	$10,543,041	$10,496,758	$(5,884,543)
Other Charges	$1,557,856	$8,332,221	$875,200	$875,200	$(682,656)
Capital Assets	$0	$14,247	$0	$0	$0
Gross Expenditures	**$57,839,546**	**$56,197,253**	**$47,157,428**	**$47,240,183**	**$(10,599,363)**

Administrative Office

Salary and Benefits	$2,877,195	$2,315,666	$2,947,559	$2,947,559	$70,364
Services and Supplies	$494,732	$7,097,796	$505,253	$492,414	$(2,318)
Other Charges	$0	$7,346,000	$0	$0	$0
Gross Expenditures	**$3,371,927**	**$16,759,462**	**$3,452,812**	**$3,439,973**	**$68,046**

Inconsistent Structure: Budget is presented at a high level of abstraction utilizing an arbitrary accounting construct labeled "Fund Centers" as the basic organizing and information tool. The fund center structure does not always correspond to the County organizational structure and contains very general financial information. The actual program level information is omitted in most cases. In fact the amount of dollars and staff resources applied to specific operating units is largely invisible.



Program level.

It is the equivalent of McDonalds not knowing how the individual stores are performing.

The table to the left illustrates how the Sheriff's Law Enforcement Division should be displayed as an example. How is the Patrol Program doing? How much does it cost? How many FTE's are assigned? How much time does it take to clear the calls? What is the deployment pattern? How much overtime does it run and what does that cost? What is the vacancy rate? What % of the calls is crime related vs. services related (car collisions, fires, health and accidents, etc.)

This presentation problem occurs all across the entire budget and is worse in the large departments. Moreover, it undermines department head accountability.

The Parks Department is composed of 3 separate fund centers corresponding to Community Parks, Golf, and Regional Parks, respectively. The 3 units (are they divisions or what?) report to the same Parks and Recreation Department Director, but there is no overall consolidated presentation of the Parks and Recreation Department.

It appears that the Community Parks Division/Fund Center contains two subordinate units (program cost centers?): 1) Community Parks Facilities, Programs and Project, Total Expenditures: $4,774,682, Total Staffing (FTE): 21.00, and 2) Public Grounds Maintenance, Total Expenditures: $570,479, Total Staffing (FTE): 3.00. The financial data is presented as summaries. No prior year data is presented at this level. It is thus impossible to relate the costs to the program inputs and outputs over time.

The accompanying performance measures are presented in such a manner that it is not possible to determine which measures go with which program. Improperly, the measures do not seem to actually represent the amount of work, velocity of work, efficiency of the work, or actual benefit of the work.

1. Performance Measure: Usage of community park facilities by visitors and residents per 100,000 residents and visitors.					
This measure is to assure that the Department of Parks and Recreation provides the services and facilities to contribute to the enrichment of park users' lives by attracting more residents and visitors to our facilities. This will be measured as an overall usage rate determined by the following formula: Rate = [Total Park Usage / (County Visitation + County Residents)] x 100,000. The target and actual results are the sum of all County Community Park facilities use figures from the four park management districts based on the above formula.					
	FY 2019-20	**FY 2020-21**	**FY 2021-22**	**FY 2022-23**	**FY 2023-24**
Target	14,323.00	14,350.00	14,350.00	14,350.00	19,000.00
Actual	22,603.00	21,200.00	24,489.00	21,000.00	
Notes: Visitation has declined slightly post COVID with a projection of stabilization.					

2. Performance Measure: Percentage of positive responses based on annual customer enrichment experience reviews of county community park facilities.					
This measure provides information related to the enrichment of park users lives through the use and enjoyment of county community park facilities.					
	FY 2019-20	**FY 2020-21**	**FY 2021-22**	**FY 2022-23**	**FY 2023-24**
Target	80.00%	81.00%	81.00%	81.00%	81.00%
Actual	93.00%	86.81%	85.84%	81.00%	
Notes: No comment.					

What did we get for all this?

a. Faster cheaper permitting?
b. More homes and/or a slow down on home cost escalation?
c. Fewer people on TANF (welfare), General Relief, Cal Fresh (Food Stamps)? – that is, less poverty?
d. Less severe wildland urban intermix fires?
e. More water security?
f. Any expansions of existing or additions of new private sector industries that provide career benefited head of household jobs?
g. Less acute and chronically ill mental health patients?
h. Fewer homeless people on the streets?
i. Less illegal cannabis or scheduled narcotics?
j. An improvement in the road pavement condition index (PCI)?
k. A reduction in the SBCERS unfunded actuarial liability?
l. A better election system?
m. Smoother flowing traffic?
n. Retention of the Diablo Canyon Nuclear Plant, Phillips 66, Wetherby Firearms, or Mindbody? Replacement of any of Diablo's career benefited head of household jobs averaging $147,000 per year full compensation?
o. Less harassment suits, less large legal settlements, or less workers comp?
p. Meaningful cannabis tax revenue?
q. Retention of the Oceano Dunes off road riding area?
r. Less CO_2 emissions as a result of climate action plans, installation of solar panels, and years of rhetoric?

Is there any outcome measure which actually improved with the addition of hundreds of millions in additional resources over the past 10 years?

For example , one stunning statistic from the County's own Financial Report shows that the total labor force in the County dropped by 10,000 over the past decade:

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

	2022			2013		
Employer	Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
County of San Luis Obispo*	2,847	1	2.04%	2,800	1	1.88%
Atascadero State Hospital	2,300	2	1.67%	2,300	3	1.55%
California Men's Colony	2,000	3	1.45%	2,000	4	1.35%
Cal Poly State University, SLO	1,912	4	1.39%	2,573	2	1.73%
Pacific Gas and Electric Company	1,700	5	1.23%	1,700	5	1.14%
Tenet Healthcare	1,312	6	0.95%	1,200	6	0.81%
Lucia Mar Unified School District	1,070	7	0.78%	1,000	7	0.67%
Community Action Partnership of San Luis Obispo County	942	8	0.68%	-	-	-
Paso Robles Public Schools	935	9	0.68%	935	8	0.63%
Cuesta College	854	10	0.62%	-	-	-
San Luis Coastal Unified School District	-	-	-	902	10	0.61%
Cal Poly Corporation	-	-	-	906	9	0.61%
Total Employment Labor Force	137,800			148,600		

Sources:
Pacific Coast Business Times
State of California Employment Development Department
2012-13 San Luis Obispo County Annual Comprehensive Financial Report
2021-22 County Budget Report*

And they want to drive the gas company out of business.

How are the County's economic development programs actually working? What about all the job training programs?

Debt: There is $556 million in bonded debt plus $878.7 million in unfunded pension liability.

Table I-2
Change in Unfunded Actuarial Liability (UAL)
(in thousands)

Unfunded Actuarial Liability, January 1, 2021	$	806,858
Expected change in Unfunded Actuarial Liability		(8,079)
Decrease due to actuarial asset gain		(39,343)
Increase due to liability loss		31,692
Increase due to contribution timing delay and expense:		9,568
Increase due to assumption changes		78,054
Total UAL change	$	71,892
Unfunded Actuarial Liability, January 1, 2022	$	878,750

Financing Sources and Uses Summary

Description	2020-21 Actual	FY 2021-22 Actual	2022-23 Final	FY 2023-24 Recommended
Financing Sources				
Taxes	234,665,121	246,503,420	249,713,956	268,681,743
Licenses and Permits	12,269,991	12,561,188	15,322,834	16,241,426
Fines, Forfeitures and Penalties	3,567,089	3,821,371	4,553,762	4,369,539
Revenue from Use of Money & Property	4,291,177	4,183,530	3,047,859	8,197,099
Intergovernmental Revenues	312,954,589	323,675,921	346,449,807	355,197,364
Charges for Services	33,186,764	31,791,694	33,902,789	34,590,758
Other Revenues	41,191,424	34,629,778	34,607,031	40,630,460
Fund Balance	0*	0*	63,639,968	46,858,893
Use of Reserves & Designations	0*	0*	10,300,683	21,394,689
Other Financing Sources	48,152,967	57,264,973	45,447,105	42,591,649
Decreases to Fund Balance	0	0	0	0
*cancellation of reserves and designations and use of fund balance included in Other Financial Sources				
Total Financing Sources	**690,579,121**	**714,431,875**	**806,985,794**	**838,753,620**
Uses of Financing by Function				
Land Based	52,626,626	55,853,366	75,253,634	69,758,978
Public Protection	171,779,085	183,878,614	198,019,870	210,582,458
Health and Human Services	255,530,626	269,555,065	304,928,255	330,877,656
Community Services	22,930,504	24,804,433	25,000,380	27,715,530
Fiscal and Administrative	28,030,997	31,665,053	30,967,104	33,417,684
Support to County Departments	33,674,627	37,316,447	44,438,604	47,069,170
Financing	29,995,999	41,016,292	57,121,860	45,429,521
Capital and Maintenance	2,925,622	3,486,341	9,069,598	14,656,405
Contingencies	0	0	32,539,280	34,330,480
Reserves & Designations	0	0	29,647,208	24,915,738
Increases (Decreases) to Fund Balance	93,085,035	66,856,264	0	0
Total Financing by Function	**690,579,121**	**714,431,875**	**806,985,794**	**838,753,620**
Uses of Financing by Type				
Salary & Benefits	315,637,608	335,560,816	376,092,373	401,241,546
Services & Supplies	207,364,627	227,845,653	238,334,474	256,609,607
Other Charges	108,679,876	122,370,694	130,157,192	135,827,520
Fixed Assets	32,949,799	39,800,037	40,491,290	22,520,747
Transfers	(67,137,824)	(78,001,589)	(40,276,023)	(36,692,018)
Increases to Reserves/Designations	0*	0*	29,647,208	24,915,738
Increases/(decreases) to Fund Balance	93,085,035	66,856,264	0	0
Contingencies	0*	0*	32,539,280	34,330,480
*use of reserves and designations and contingencies are included in individual financing types				
Total Financing by Type	**690,579,121**	**714,431,875**	**806,985,794**	**838,753,620**

County of San Luis Obispo
Ratios of Total Debt Outstanding
Last Ten Fiscal Years
(In Thousands)
(UNAUDITED)

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Governmental Activities										
Certificates of Participation	$ 25,662	$ 24,640	$ 23,600	$ 22,527	$ 21,411	$ 26,135	$ 24,808	$ 18,004	$ 19,619	$ 18,290
Less deferred amounts:										
For issuance discounts:	(99)	(95)	(91)	(87)	(83)	(79)	(75)	-	-	-
Add deferred amounts:										
For issuance premiums:	1,329	1,240	1,152	1,063	975	886	797	708	619	530
State notes	-	-	-	-	-	2,056	1,901	1,744	1,586	1,426
Pension Obligation Bonds	115,624	111,234	146,219	145,291	143,890	99,407	96,903	93,733	89,825	85,112
Lease revenue bonds	-	-	-	-	-	-	-	20,380	19,970	19,380
Add deferred amounts:										
For issuance premiums:	-	-	-	-	-	-	-	4,023	3,837	3,652
Assessment Bonds from direct borrowings	-	-	-	-	-	-	-	436	391	344
Leases*	-	-	-	-	-	-	-	-	-	92,248
Total bonds and notes payable	142,516	137,019	170,880	168,794	166,193	128,405	124,334	139,028	135,847	220,982
Business-Type Activities										
Certificates of Participation	17,920	18,257	17,745	17,194	16,470	15,678	14,811	13,908	12,966	14,668
Add deferred amounts:										
For issuance premiums:	492	459	426	393	361	328	295	262	229	196
State Note	34,399	46,529	72,774	86,611	85,674	87,667	84,409	81,079	88,385	84,528
Other Notes	-	-	-	-	-	-	-	-	-	196
Revenue Bonds	190,389	187,170	183,813	177,198	173,535	168,410	164,126	159,841	155,330	150,585
Add deferred amounts:										
For issuance premiums:	5,945	5,732	5,519	10,058	9,623	8,926	8,502	8,077	7,653	7,230
Unamortized outflow on Bond Refinancing	-	-	-	(4,171)	(3,990)	(3,808)	-	-	-	-
General Obligation Bonds	9,890	9,530	9,155	8,760	8,350	7,925	7,485	7,025	6,540	6,030
Add deferred amounts:										
For issuance premiums:	1,015	959	902	846	790	733	677	620	564	508
Bond Anticipation Notes	-	-	-	-	-	-	-	-	-	-
Assessment Bonds	39,527	76,438	79,829	79,396	78,089	76,746	75,358	73,943	72,483	70,978
Leases*	-	-	-	-	-	-	-	-	-	250
Total bonds and notes payable	299,577	345,074	370,163	376,285	368,902	362,605	355,663	344,755	344,150	335,169
Total Outstanding Debt	$ 442,093	$ 482,093	$ 541,043	$ 545,079	$ 535,095	$ 491,010	$ 479,997	$ 483,783	$ 479,997	$ 556,151
Percentage of Personal Income	3.52%	3.76%	3.86%	3.76%	3.58%	3.13%	2.92%	2.80%	2.54%	N/A
Percentage of Assessed Value of Taxable Property[1]	1.06%	1.12%	1.19%	1.13%	1.06%	0.92%	0.85%	0.81%	0.77%	0.87%
Net outstanding debt Per Capita	$ 1,624.28	$ 1,770.08	$ 1,972.50	$ 1,960.88	$ 1,916.46	$ 1,753.31	$ 1,713.66	$ 1,708.81	$ 1,700.62	$ 1,964.09

Note: See the Demographic Statistics Schedule for detailed information on personal income and population.

[1] Due to Article XIII-A, added to the California Constitution by Proposition 13 in 1978, the County does not track the estimated actual value of all County properties; therefore, the ratio of net outstanding debt to the estimated actual value of taxable property is unable to be determined; however, the ratio of net outstanding debt to the assessed value of taxable property is determinable and presented in the table.

* GASB Statement 87 was implemented in FY 2021-22. Prior year leases were not recognized as capital leases pre-GASB 87.

Source: Notes to the Financial Statements, Note 10

Local Agency Formation Commission Meeting of Thursday, June 15, 2023 (Scheduled)

Due to scheduling issues this Weekly Update had to be prepared prior to LAFCO posting its agenda.

LAST WEEK'S HIGHLIGHTS

Board of Supervisors Meeting on Tuesday, June 6, 2023 (Completed)

Item 11 - Appointment of Supervisor Ortiz-Legg and Supervisor Paulding as the alternate to the Central Coast Community Energy (3CE) Policy Board). The 2 were appointed without comment or question. The County should have actually appointed either Supervisor Peschong or Supervisor Arnold, either of whom would actually watchdog the Authority and ask some real questions. Ortiz-Legg and Paulding are in the tank for the scam.

# People	Description of Membership	Primary	Alternate
2	Central Coast Community Energy Policy Board	Dawn Ortiz-Legg	Jimmy Paulding

Item 24 - Acting as the Paso Basin – County of San Luis Obispo Groundwater Sustainability Agency (GSA), 1) receive and file the Paso Basin Cooperative Committee Proposed Statement of Equity (Statement); and 2) authorize and direct the Director of Groundwater Sustainability, or designee, to incorporate the principles stated therein, in coordination with the other GSAs, into the next update of the Paso Basin Groundwater Sustainability Plan (GSP) to be presented for adoption by the GSA to the greatest extent practicable. The Resolution was approved on a 3/2 vote with Arnold and Peschong dissenting. There was considerable debate and opposing public comment.

This item should have been trailed and considered in conjunction with **Item 54**, below, that contains reorganization of the governance structure of the Paso Water Basin.

Background: The item requested the Board of Supervisors to adopt a document and principle entitled the Paso Basin Cooperative Committee Statement of Equity of April 28, 2023. The Board letter is ostensibly authored by Blaine Rely, the County's Water Sustainability Director. The actual Statement of equity was authored by Supervisor Gibson over several versions and shopped around by him to the member jurisdictions of the Paso Basin Water Management Cooperative Committee.

Process Problems: How Gibson caused a Department Head to disguise his proposed item and add it to the Board of Supervisors agenda is a serious question. How can one Supervisor command staff effort and cost on a policy matter that has not been introduced for assignment? Is Gibson giving direct orders to staff? How did this get through the agenda review meeting in this fashion?

Similarly, several observers of the Basin Cooperative Committee meeting on the day when this matter was considered have noted that it was not on the agenda in advance and thus violated open meeting law noticing requirements.

The Statement itself seems to be a list of truisms about the status and hydrology of the basin. It then asks the member jurisdictions to pledge to embrace equity in the regulation of the basin (distribution of the water) among the various types of users. The document and Board letter promise to respect the constitutional rights of the Basin overliers. In this very aspect, the meaning and practicality of equity falls apart, since the property overliers have superior water rights to the prescriptor municipalities and putative water districts. Neither SGMA nor a motion of the Board Supervisors may impinge or lessen these rights.

Also, in fact the Basin is almost adjudicated, and the Court has already determined that the overliers who filed a lawsuit to protect their primary rights do have those primary rights. Prescriptors, the County of SLO, the City of Paso Robles, and the San Miguel Water District have already been awarded very little of the Basin's annual yield in acre feet.

It would seem that the proposed document is, at best, a piece of propaganda and, at worst, an illegal nullity.

Again, this should be considered against the background of **Item 54**, below, as it contains serious issues inimical to most of the farmers and homeowners overlying the Basin.

Aside from the substantive issues involved, the item and its generation again exhibit Gibson's growing dominance over the County organization and process.

Item 32 - Submittal of a resolution 1) removing Columbus Day as a paid county holiday and adding Native American Day as a paid county holiday for all county employees and allowing for employees on their initial probationary period to use personal leave; 2) approving corresponding amendments to the memoranda of understanding for all represented employee associations; and 3) approving amendments to the memoranda of understanding for the San Luis Obispo County Employee's Association regarding the Annual Leave program. The item was approved unanimously on the consent calendar.

The County is catching up with the City of Berkeley, which established Indigenous People's Day back in 1990, 40 years ago.

The Board avoided the cultural discussion as the item is presented as an effort to realign the holiday with the State Court systems' prior action of eliminating Columbus Day in favor of Native American Day, which occurs in September, verses October for Columbus Day.

In presenting the matter, the item was cast as a technical amendment to all the County's labor contracts to enable law enforcement and the courts to have the same holiday schooled. There is no analysis of the relative social and historical background. Apparently the action is supported by the County's unions, as it is reported that they all agree.

Background:

Native American Day is a holiday observed in several US states in celebration of Native American culture. In California and Nevada, the holiday is designated on the fourth Friday of September, whereas in South Dakota and Wisconsin, it falls on the second Monday of October.

Hundreds of Columbus statues have been beheaded across the country in recent years as part of the effort to equate his exploratory voyages with the later enslavement and atrocities committed by the various European colonizing powers. After all, Columbus was not Hernan Cortez and Abraham Lincoln was not Andrew Jackson. The conflict has recurred throughout history when one group of humans with more advanced technology encounters a group with less advanced technology. Cro-Magnons dominated Neanderthals, Romans dominated Celts, Islamic Caliphates dominated Medieval Europeans, and, perhaps in a few years, China will dominate whatever remains of western civilization.

Relatedly, instead of attacking China's history and monuments, China's Premier, Xi Jinping, is promoting them. A Chinese news report stated in part on Friday:

On Friday afternoon, Xi visited the Chinese Academy of History. He walked into the Chinese Archaeological Museum in the academy and toured exhibitions including one on the origins of civilization.

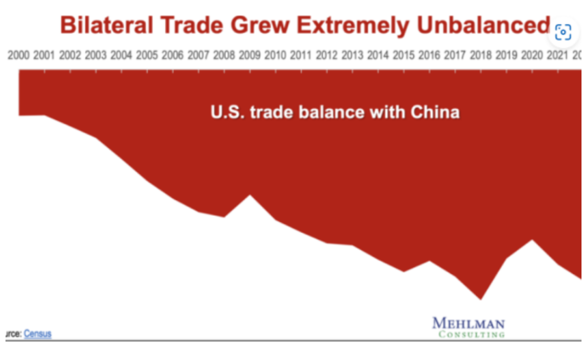
Xi highlighted the integral role of archaeology in deepening the understanding of the rich and profound Chinese culture. He emphasized the significance of conducting research and providing interpretations regarding the origins of Chinese civilization.

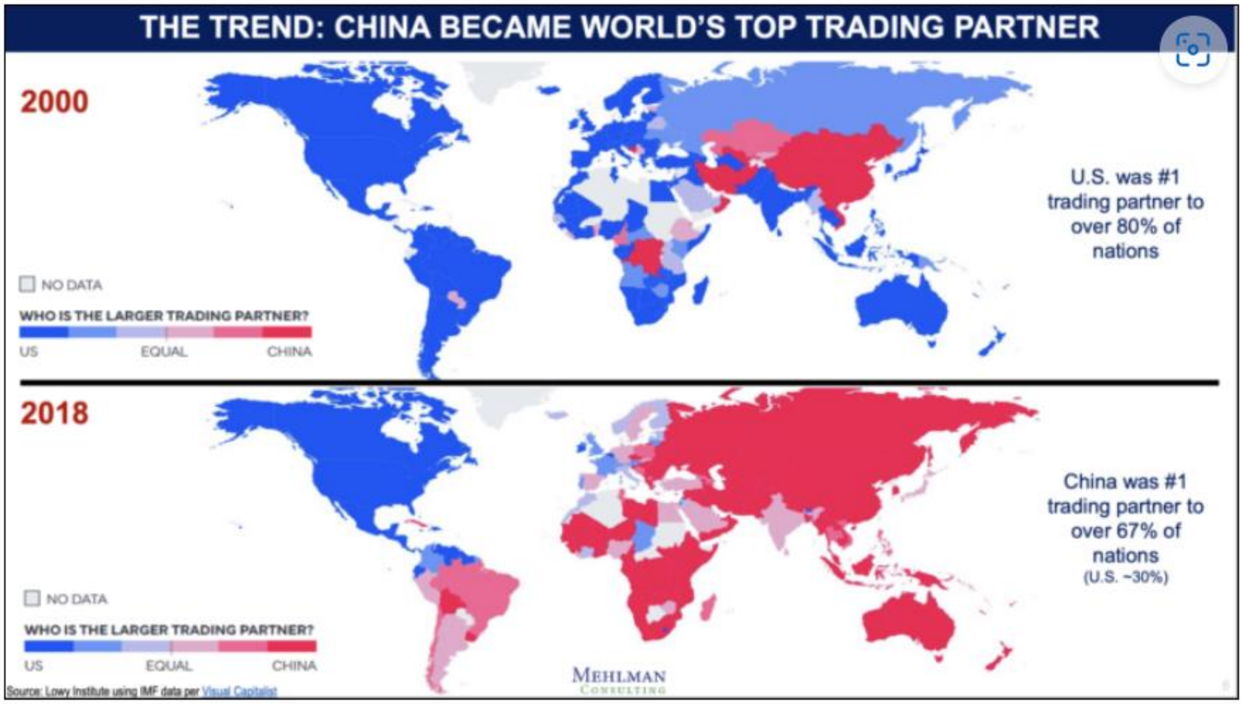
Xi conveyed his expectations that scholars would continue to enhance their research endeavors and contribute their wisdom and efforts to the advancement of Chinese modernization.

Subsequently, Xi participated in the meeting on cultural inheritance and development at the academy. After several professors and scholars spoke, he delivered an important speech.

Contrast this with our Woke idiots who are tearing down our monuments and cancelling important historical heroes on the basis of current political ideology.

As Steve Hayward points out in the 2 graphs below:





They are not celebrating Native Tribes day for the Uyghurs, Mongols, Tibetans, or anyone else[1], let alone DEI training.

Item 54 - Reorganization of the Paso Water Basin - Hearing to consider adoption of a resolution:

1) Withdrawing from serving as the Groundwater Sustainability Agency (GSA) within the Estrella-El Pomar-Creston Water District (EPCWD) service area through modification of the boundaries of the "Paso Basin – County of San Luis Obispo Groundwater Sustainability Agency";

[1] The Uyghurs, alternatively spelled Uighurs, Uygurs or Uigurs, are a Turkic ethnic group originating from and culturally affiliated with the general region of Central and East Asia. The Uyghurs are recognized as native to the Xinjiang Uyghur Autonomous Region in Northwest China.

2) Acceptance and approval of the "Addition of Party to Memorandum of Agreement regarding Preparation of a Groundwater Sustainability Plan for the Paso Robles Groundwater Basin" signed by the EPCWD;

3) Authorizing the Director of Groundwater Sustainability to take actions to effectuate the GSA boundary modification; and,

4) Find the project is exempt from Section 21000 et seq. of the California Public Resources Code (CEQA).

The matter was approved 3/2 with Supervisors Arnold and Peschong dissenting. The Board majority was locked and loaded on this item and brooked no opposition. In fact Supervisor Gibson characterized those public speakers in opposition as "conspiracy theorists".

At some points the debate was pointed and personal. County Counsel and the Water Sustainability Director were clearly counting up to 3 in terms of their posture with respect to the issue. Those in support of issue included the Farm Bureau and the Paso Basin Wine Alliance.

This was a major policy item that essentially determined that the Paso Basin Water Policy will be controlled by a small special interest group of large water banking investors instead of the democratically elected Board of Supervisors, which represents about 8000 other users.

The fact that this item appeared out of nowhere on a Board of Supervisors agenda, and in combination with **Item 24**, above (which purports to encourage "equity" in the distribution of the water) is in itself an admission and concrete example of the intent to do the exact opposite. Relatedly, the Board majority of Supervisors Gibson, Ortiz-Legg, and Paulding just two months ago repealed an ordinance intended to provide a small amount (up to 25-acre feet) to small users who were locked out by the County's Paso Basin Moratorium until the full implementation of the SGMA Plan can become operative. This could take years or decades.

Again, we were confronted (as in **Item 24** above) with an unsolicited complex staff report that had been developed by various county departments at considerable expense but without any initial approval by the Board of Supervisors. In other words, why on the basis of a request from the Estrella-El Pomar-Creston Water District (EPCWD) did the County Water Sustainability Director, assisted by their departments, undertake preparation of this report on his own?

Did Groundwater Sustainability Director Blaine Reely submit it on his own?

Did Interim County Administrative Officer John Nilon direct that the report be brought forward?

Who authorized the use of staff and budget to work on the report?

Did any Board member direct staff to prepare the report?

How did the report get onto the County agenda?

1. Issues at stake: The County staff ostensibly (was it staff or Supervisor Gibson?) proposes to reorganize the governance of the Paso Water Basin to negate the power of the democratically elected Board of Supervisors over the Basin and reduce the Board's vote from 61% down to 32%.

Proposed Vote Allocation

City Member	15%
SMCSD Member	3%
HRCSD Member	1%
SSJWD Member	20%
County Member	32%
EPCWD Member	29%

Current Vote Allocation

City Member	15%
SMCSD Member	3%
HRCSD Member	1%
SSJWD Member	20%
County Member	61%

In turn the EPCWD and its sister SSJWD combined would have 49% of the vote.

2. Interlocking Interest Group: When considered together, the two water districts comprise the same alliance of interests that proposed the AB 2453 Water District back in 2016. That District proposal was rejected by 78% of the Basin voters. The current proposal to activate the EPCWD as a SGMA Groundwater Sustainability Agency (GSA) is simply a ploy to achieve what the voters already rejected in another form.

In 2016, those promoting the AB 2453 District formed a group called Calm the Basin. For the most part, Calm the Basin contained the same players as now serve on the Boards of the 2 water districts. For example:

The EPCWD board includes Dana Merrill, President; Hilary Graves, Vice President; and Jerry Reaugh, Secretary. The District Administrator is Laurie Gage, who has been involved for years.

The SSJWD board incudes Willy Cunha, Steve Sinton, Marshall Miller, and Matt Turrentine.

At the same time, several of these individuals were major campaign contributors to Supervisor Gibson during the last election.

Sample Political Contributions to Bruce Gibson

Name	Occupation	Date	Donation	Total
Jerome Lohr	J. Lohr Vineyards	02/02/2020	$4,500.00	
		03/13/2021	$5,000.00	
		04/22/2022	$5,000.00	
		08/02/2022	$5,000.00	
		10/22/2022	$5,000.00	$24,500.00
Matthew Turrentine	Grape Vine Capital	05/23/2021	$ 500.00	
		11/12/2021	$2,500.00	
		08/19/2022	$5,000.00	
		12/14/2022	$1,000.00	$ 9,000,00
Dana Merrill	Mesa Vineyards	04/01/2021	$1,000.00	
		04/22/2022	$ 500.00	$ 1,500.00

Kathleen Maas	Pear Valley Estate Wine	03/20/2022	$1,000.00	
		08/02/2022	$1,000.00	$ 2,000.00
Michael Baugh	Retired (CALM)	08/06/2021	$ 200.00	
		02/28/2022	$ 250.00	$ 450.00
Sue Luft	(PRO Water Equity)	02/09/2922	$ 100.00	
		07/18/2022	$ 150.00	
		09/18/2022	$ 60.00	
		10/16/2022	$ 50.00	$ 260.00
Dee Lacey	Retired (CALM)	07/26/2022	$ 198.00	
		09/02/2022	$ 99.00	
		10/21/2022	$ 99.00	
		11/09/2022	$ 99.00	$ 495.00
Hilary Graves	Farmer (CALM)	07/17/2022	$ 100.00	$ 100.00
Stephen Sinton	Rancher (PRAAGS)	08/07/2022	$1,000.00	
		10/26/2022	$1,000.00	$2,000.00
Andrea Pease	In Balance Green	07/31/2022	$1,500.00	$1,500.00

Political Contributions to Bruce Gibson (Continued)

Name	Occupation	Date	Donation	Total
Jerry Reaugh	Retired (PRAAGS)	10/10/2022	$ 300.00	$ 300.00
James Ledbetter	Vino Farms	09/28/2022	$3,000.00	$3,000.00
Bimmer Udsen	Castro Cellars	10/16/2022	$ 250.00	$ 250.00
Randy Heinzen	Vineyard Pro. Services	08/24/2022	$ 900.00	$ 900.00
Danie Daou	Daou Vineyards Wine Maker	06/02/2021	$1,000.00	
Georges Daou	Daou Vineyards Proprietor	06/02/2021	$1,000.00	
Neil Cassidy	Daou Vineyards (CFO)	09/15/2022	$3,000.00	$5,000.00

Total **$51,255.00**

Supervisor Gibson is certainly extremely responsive to this group. He asserts that he is supporting a very important industry. The industry is very important and constitutes a vast and highly attractive agricultural, experiential, and economic asset.

PASO ROBLES
WINE COUNTRY ALLIANCE

TOTAL ECONOMIC IMPACT OF THE WINE AND WINEGRAPE INDUSTRY IN THE PASO ROBLES AVA AND SAN LUIS OBISPO COUNTY

HIGHLIGHTS

$1.9 BILLION ^

	San Luis Obispo County *
Total Jobs **	13,627
Wages Paid	$388 Million
% of County Jobs	11.5%
Winery Revenue from SLO County Wine	$732 Million
Cases of Wine Produced	8.58 Million
Winegrape Bearing Acres	44,700
SLO County Wine Grape Crop Size 2015	127,367 Tons
Value of Winegrape Crop	$297 Million
Total Tourism Visits to Wineries	1.56 Million
Wine Related Tourism Expenditures	$194 million
Wine Related Tourism Percentage Demand for Hotel Accommodations	28%
Percentage of Gross Regional Product for San Luis Obispo County	6.5%
Total Property Tax Assessments to Vineyards and Wineries	$44.8 Million (28% of total SLO Co.)
Total 2015 CA Sales Tax revenue collected from Vineyard and Wineries	$54.9 Million (10% of total SLO Co.)

^ Including direct, indirect, and induced economic impact.
* Including Paso Robles AVA
** Including vineyard, winery, and supporting industries

The Paso Robles AVA accounts for 87 percent of SLO County wine industry output and economic impact with 40,000 vineyard acres and more than 200 wineries, 95 percent of which are small production, family owned businesses.

Report prepared by University of California Agricultural Issues Center for the Paso Robles Wine Country Alliance. Data based on the 2015 harvest year. Any use or reproduction of this publication must be approved by the Paso Robles Wine Country Alliance.

But does this mean that it should have the predominant power to regulate the use of water in the basin just because it is the largest user? Agriculture is by far the largest user, and wine grapes constitute by far the largest component of agricultural use.

Table 6. Total Groundwater Extractions

Water Year	Groundwater Extractions by Water Use Sector			Total (AF)
	Municipal PWS¹ (AF)	Small PWS and Rural Domestic (AF)	Agriculture (AF)	
2017	1,626	5,060	64,100	**70,800**
2018	1,677	5,060	75,500	**82,200**
2019	1,729	5,060	55,800	**62,600**
2020	1,509	5,060	59,200	**65,800**
2021	1,553	5,060	75,500	**82,100**
2022	1,982	5,060	80,200	**87,200**
Method of Measure:	Metered	2016 Groundwater Model	Soil-Water Balance Model, OpenET (2022 only)	–
Level of Accuracy:	high	low-medium	medium	–

Source 2022 Draft Paso Basin SGMA Report to the State Department of Water Resources

Notice the Ag growth over the past 6 years: 64,100 to 80,200 AF is 16, 000 in spite of the moratorium.

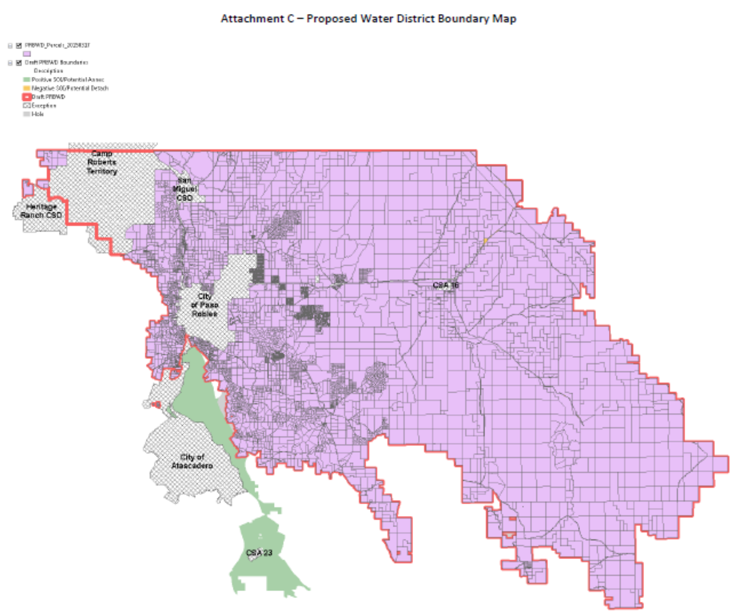
It is somewhat equivalent to having the Coastal Commission allow coastal property owners to form special districts to manage their sectors under the Coastal Act. That Commission doesn't even allow the cities to have much discretion.

Isn't covering the Paso Basin with industry controlled districts tantamount to the foxes watching the hen house, especially since ag pumping has increased enormously?

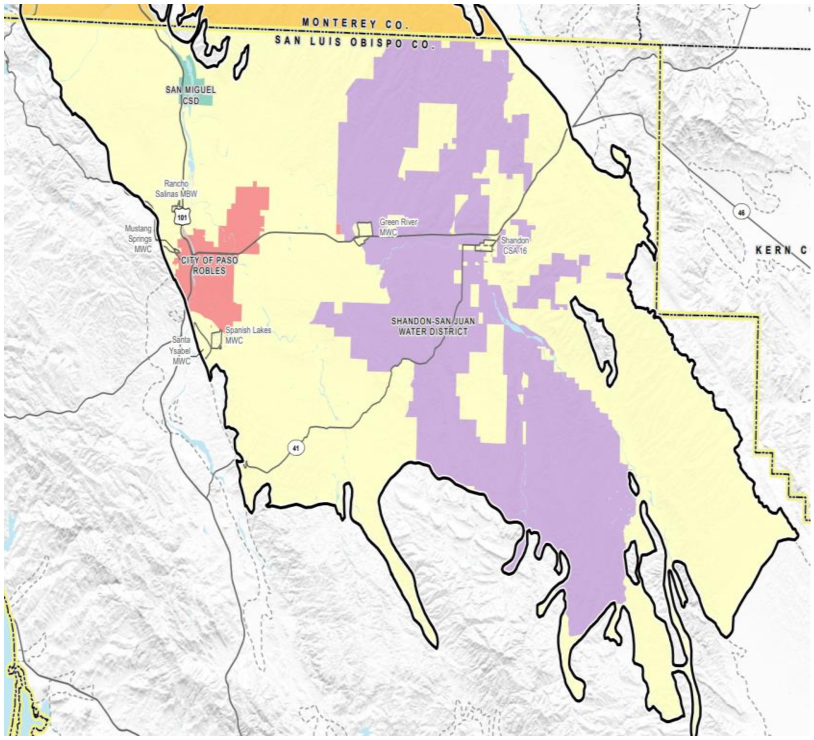
Have the larger entities been overpumping to establish a larger threshold for reductions when SGMA regulations finally bite in?

3. District Legality: The proposed, and ultimately defeated AB 2453 district, the existing EPCWD, and the existing Shandon San Juan Water District were all originally approved by the Local Agency Formation Commission (LAFCO). The legality of all 3 districts was and continues to be highly questionable.

a. The Voter Rejected AB 2453 district: In 2016, Supervisors Gibson, Hill, and Meacham rammed the district though the Legislature, the Board of Supervisors, and LAFCO. It was only stopped by the voters in the Basin. There were severe legal and process questions which were simply papered over by County Counsel and LAFCO counsel.



b. The LAFCO Approved Shandon-San Juan Water District. The district was approved and ultimately confirmed as a SGMA Groundwater Sustainability Agency (GSA). As of its May financial report, it has $404,000 in cash. It is not known if it has contributed any funding to the preparation of the Paso Basin SGMA Ground Water Sustainability Plan (GSP). That plan seems to have been largely financed by State grants obtained by the County.



c. The Estrella-El Pomar- Creston Water District. This one is, of course, the subject of the push to revise its status to become a SGMA ground water sustainability agency (GSA) and for it to take over the County GSA functions in its territory. Its approval as a "water district" by LAFCO in the first place is highly suspicious in that it is a checkerboard of interested landowners, as opposed to a contiguous compact entity as required by the Cortes-Knox Act (which governs LAFCO criteria for formation of new entities). In a political reach, a prior LAFCO administration claimed to find an obscure clause to the effect that a water district need not be contiguous as long as the parcels are within 2 miles of each other.

One problem is that the clause pertains to water irrigation districts, not water sustainability districts. The whole entity is illegal in the first place. It has no canals, pumps, reservoirs, or any of the facilities of an irrigation district.

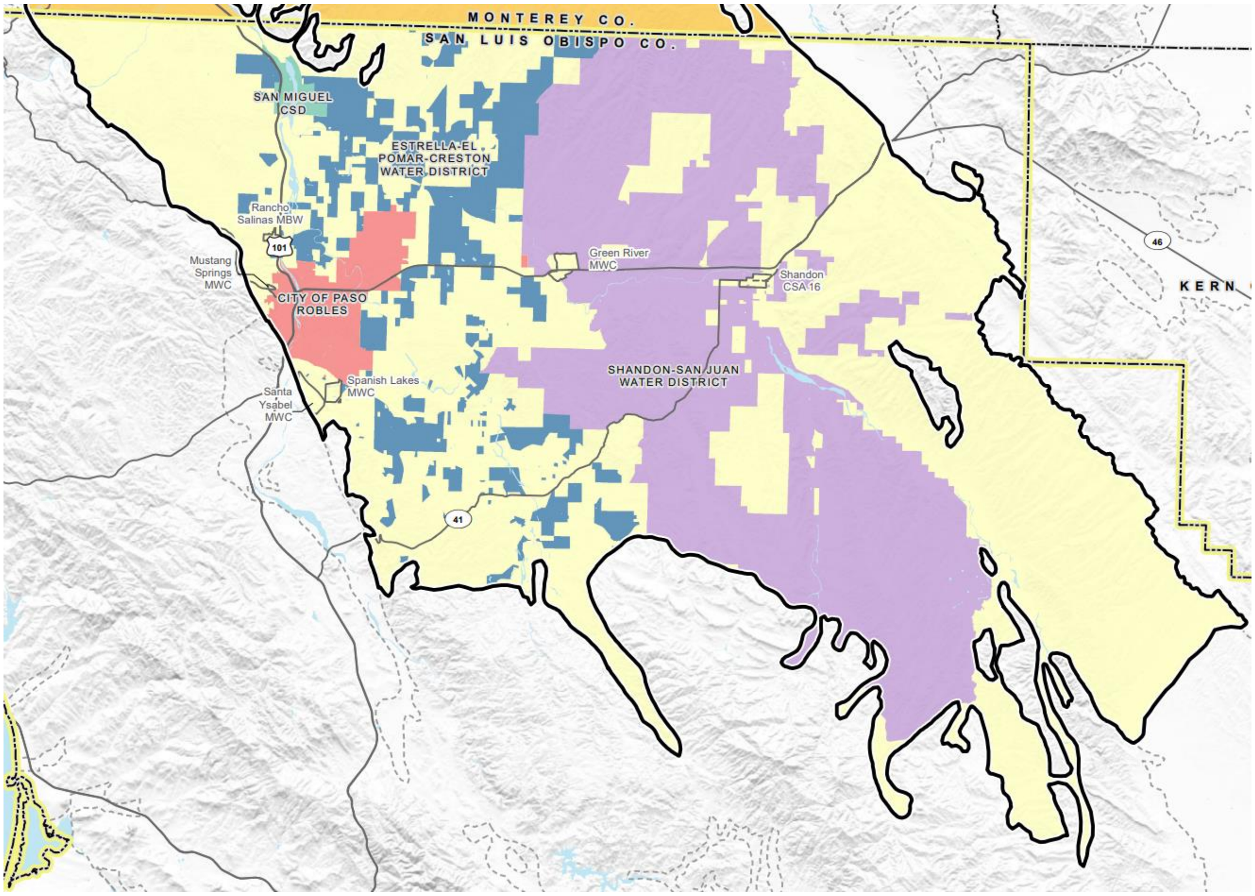
We could not find any financial report or proposed 2023-24 budget for the District on its website. Its heretofore main function seems to be recruiting and retaining members and lobbying to become a GSA. It seems very strange that a district with a spread-out checkerboard pattern could actually manage water sustainability as a practical matter.

For this District to become a SGMA GSA, the County Supervisors would have to vote to relinquish its authority as the current GSA serving the areas under the District. LAFCO would need to conduct an analysis of the costs and benefits. It would also have to determine the prospective costs of the district deploying and managing its own Groundwater Sustainability Plan (GSP).

The current Board agenda item is not clear about which entity (the County or the EPCD) would prepare and pay for processing the application for the County to cede its authority and the EPCD to become GSA. In the case of the putative AB 2453 Water District, the County paid for the processing. Article 3 of the proposed Resolution directs County staff to prepare and process the applications necessary for the County to cede its water regulatory authority over the EPCD portions of the Basin.

3) Authorizing the Director of Groundwater Sustainability to take actions to effectuate the GSA boundary modification; and,

By adopting the Resolution and directing staff to proceed, the Board is flying blind. They have no idea what the process will cost.



d. Opposition: The opposition of the San Miguel Community Service District dooms the idea of the EPCD serving on the Basin Cooperative Committee from the outset. Each member of the current committee must approve the addition of new members. LAFCO cannot approve the creation of the district as a GSA unless it can become a member of the Cooperative Committee as well. See the letter below:

Separately, and perhaps to comport with its illegal formation as an irrigation district, the District has sought acquisition of City of Paso tertiary treated sewer water. Reportedly, the City has sent the District a letter rejecting that request, which has not been disclosed by staff as an attachment to this agenda item.

Please see the letter on the next page:

Board of Directors

President
Vacant

Vice President
Raynette Gregory

Board Members
Anthony Kalvans
Owen Davis
Rod Smiley

General Manager
Kelly Dodds

Fire Chief
Scott Young

Mission Statement

The San Miguel Community Services District was formed and remains committed to efficiently serving the community with fire protection, water, wastewater, streetlighting/landscaping and solid waste services in San Miguel

P.O. Box 180

San Miguel, CA 93451

Tel.
Fax 805-467-9212

May 31, 2023

County Board of Supervisors

The Estrella-El Pomar Creston Water District (EPC) is requesting that the County of San Luis Obispo relinquish the EPC area from the County GSA area creating the EPC GSA.

The San Miguel CSD GSA Board of Directors discussed this possibility at their regular April meeting.

The San Miguel CSD GSA Board would like the Board of Supervisors to vote against the relinquishment of GSA area to the EPC.

The San Miguel CSD Board believes that the EPC becoming a GSA and taking voting percentage away from the County will have a negative effect on the representation of the property owners of the unincorporated areas of the County within the Basin.

Additionally, although it is recognized that the EPC has made efforts to better understand the groundwater within their District, the creation of another predominately Agriculture GSA will likely hamper the ability of the PBCC or its successor agencies from implementing restrictive irrigation measures in the future to prevent further degradation of the basin resulting in the loss of water to rural property owners.

Thank you for your consideration in denial of the request for the EPC to form as a GSA.

On behalf of the San Miguel Community Services District Board of Directors.

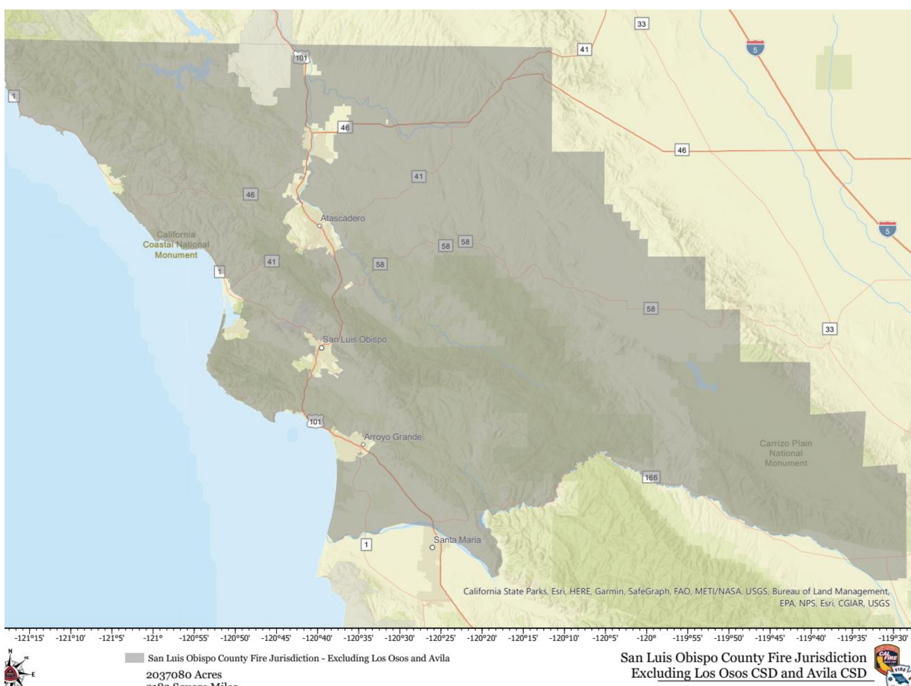
Kelly Dodds
General Manager
San Miguel Community Services District

Item 58 - Formation of a Special Taxing District to Upgrade Fire, Medical and All Hazard Emergency Services Request to: 1) approve submittal of an application for Change of Organization to Local Agency Formation Commission (LAFCO) for formation of a new

County Service Area; 2) adopt a resolution of application for the initiation of proceedings for formation of a new County Services Area for the unincorporated area of San Luis Obispo County; 3) find that the proposed activity is exempt from the California Environmental Quality Act (CEQA) under CEQA Guidelines Section 15060(c)(3) because adopting a resolution to submit an application to LAFCO is not a project as defined by Section 15378 of the State CEQA Guidelines; and 4) authorize a corresponding budget adjustment in the amount of $14,721 from FC 115 - General Fund contingencies to FC 140 - County Fire to provide allocation for fees associated with the formation process of the County Service Area, by 4/5 vote. The report was received unanimously and staff was directed to proceed with preparation of an application to LAFCO and a draft financial plan, and directed to report back to the Board for a final vote.

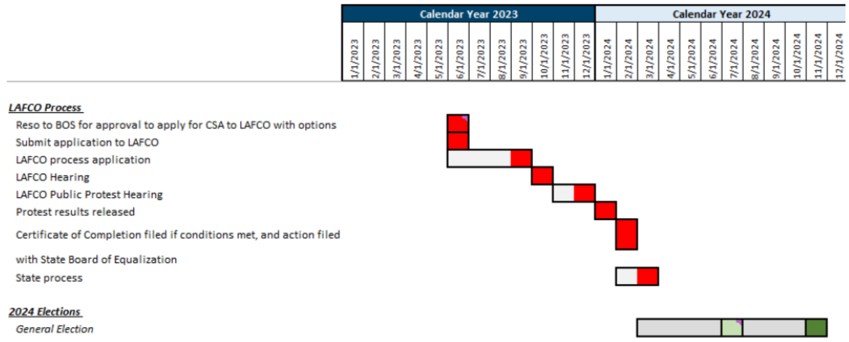
The write-up summarized the history:

On January 24, 2023, the Board of Supervisors adopted the 2022 County Fire Strategic Plan (Plan) (attachment 5) that provided strategies to determine appropriate and improve upon service levels for communities of differing demographics and fire protection demand. In alignment with the identified strategies, the Plan includes recommendations which are intended to improve service delivery. The recommendations address management and operations of County Fire, Emergency Medical Services, response service levels, facilities, finance, and administration. At the time of preparing the Plan, costs associated with recommendations were: $46.2 million for Capital Improvement Projects, $4.5 million for Equipment Costs, and $17.6 million for additional annual operational costs. Since plan development, operational cost estimates have increased to $19.8 million, for a total estimated $70.4 million.



Local Agency Formation Commission (LAFCO) Process:

Initiation of the LAFCO process requires submittal of an application and Resolution of Application.



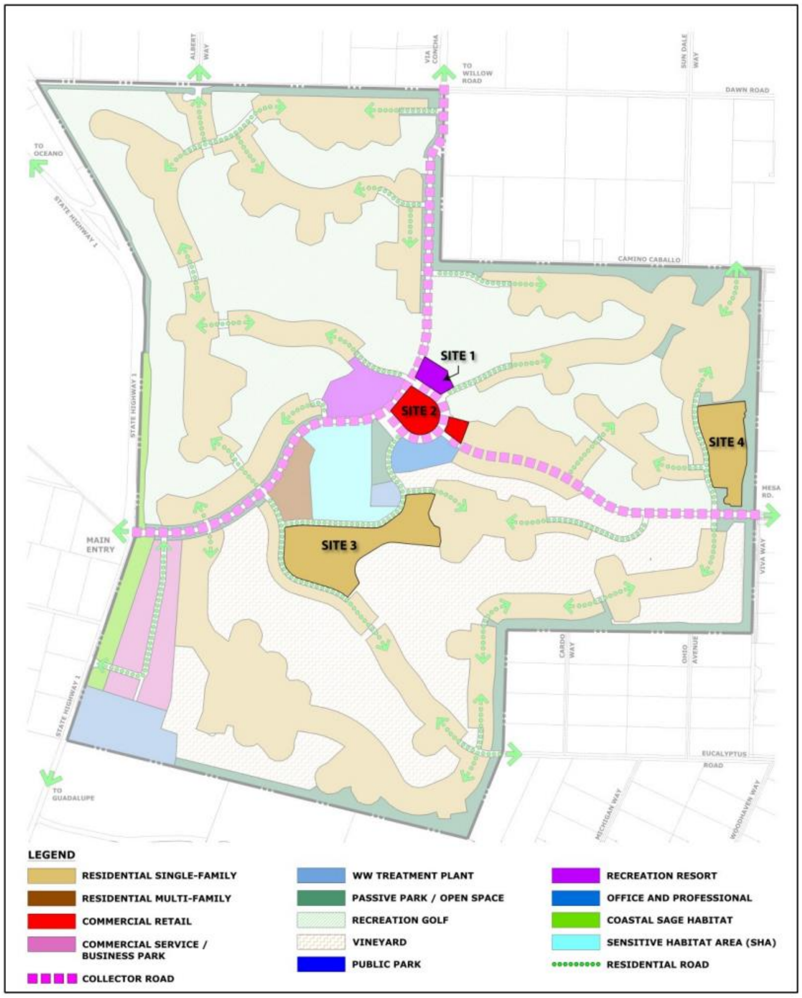
Unfortunately, the write-up did not provide any estimates of the per occupancy cost of the new tax. It is not possible for the Board and the public to gauge whether to ignite this process without some idea of the tax parameters. In the end, an election will have to be held to reject or approve the tax. However, it would be prudent to have some estimates at this point.

Item 62 - Revisions to the Monarch Dunes Planned Community Specific Plan - Hearing to consider a request by Monarch Dunes LLC to: 1) amend the Monarch Dunes Specific Plan (LRP2021-00003) to modify the allowable land uses of four sites within the Monarch Dunes Specific Plan area; 2) consider the attached resolution to amend the Growth Management Ordinance, Title 26 of the County Code, to amend the Woodlands Specific Plan Area standards (LRP2022-00010) to be consistent with the phasing plan for the proposed Specific Plan amendments. The Monarch Dunes Specific Plan area is located on the Nipomo Mesa, approximately two miles west of the community of Nipomo, east of Highway 1, and approximately half a mile south of Willow Road.

The write-up summarizes the current plan and proposed changes as follows:

The Monarch Dunes Specific Plan Area is substantially built out, except for the Village Center, Resort Site, and Public Park Site. The proposed Specific Plan Amendment would change the allowable land uses and development types for these four "Phase 3" sites. Future development of these sites will continue to be subject to subsequent land use, subdivision, grading, and building permit approvals, as applicable. (See the map below for orientation)

Figure 1: Map of Proposed Land Use and Sites with Corresponding Numbers



Proposed Specific Plan Amendment In March 2021, Monarch Dunes LLC (Applicant) submitted an application (LRP2021-00003) to amend the Monarch Dunes Specific Plan to modify the allowable land uses of four sites within the Specific Plan area. Development of these four sites will be Phase 3 of the Specific Plan. The Board of Supervisors authorized processing of this amendment on August 11, 2021. Below are the requested changes to each numbered site (see Figure 1):

• Site #1 (Village Center, shown in purple in Figure 1) is proposed to be redesignated from Commercial Retail land use to Recreation-Resort land use, to support up to 65 hotel rooms (a reduction and relocation from the allowable 400-room hotel planned for Site #3).

• Site #2 (Village Center) is proposed to retain the Commercial Retail land use designation, but would be modified to support up to 40 condominium residential dwelling units on the second floor (above commercial retail spaces) and to decrease the maximum allowable floor area for commercial uses from 140,000 square feet to 38,500 square feet.

• Site #3 (the former 400-room hotel site) is proposed to be redesignated from Recreation-Resort land use to Residential Single-Family land use, to support up to 76 residential dwelling units in the form of 38 common wall developments.

• Site #4 (Future Public Park site) is proposed to be redesignated from Public Park land use to Residential SingleFamily land use, to support 46 residential dwelling units in the form of 23 common wall developments

Table 1: Summary of Net Changes Resulting of Proposed Project

Development Type	Existing Monarch Dunes Specific Plan	Proposed Specific Plan Amendment	Net Change
Residential dwelling units	1,320 dwelling units	1,482 dwelling units	162 dwelling units increase
Commercial retail use	140,000 square feet	38,500 square feet	101,500 square feet decrease
Hotel rooms	400 hotel rooms	65 hotel rooms	335 hotel room decrease
Public Park (active use)	1 planned active use public park	0 planned active use public park	Removal of the planned active-use public park

There is some opposition to the revisions as well as some support. The project, among other features, completes the planned trail system, which has generated some support.

It will be interesting to see where Supervisor Paulding comes down on this one – more housing or restricting development.

San Luis Obispo County Council of Governments (SLOCOG) Meeting of Wednesday, June 7, 2023 (Completed)

F.3 - LAYING THE GROUNDWORK FOR A SALES TAX INCREASE Regional Housing & Infrastructure Plan (HIP). The Board received the report, which attempts to inventory the various factors, which could be reformed to enhance the production of housing. Next steps include ascertaining if the 7 cities and the County will step up to the capital expenditures necessary to facilitate housing. This issue becomes captive to smart growth and Gibson's desire to raise taxes, especially a sales tax increase for transportation.

Background: The effort was begun back in 2018 but delayed as a result of COVID diverting staff to emergency work, COVID lockdowns, and vacant staff positions. The County had originally taken the lead, with former County Administrator Wade Horton marshalling the County staff and city managers. For whatever reason, it was subsequently determined to put SLOCOG in charge of the project.

At this point it appears that they have identified about $1 billion in capital needs for water projects and transportation projects, which they believe must be completed to allow the development of more housing. There are apparently appendices to this report that contain the detailed information, but they do not seem to be provided as online attachments to this agenda item. It is therefore hard to know what the detail is for the capital projects. Also, the funding strategies detail is not provided.

The staff recommendation concludes with the notion that the County and cities will review the matter over the summer and then provide "guidance." Thus, what had been conceived of as a worthwhile project is likely to die in the doldrums of collaboration and lack of leadership, commitment, or process. During the deliberations, Supervisor Gibson actually identified this issue. Of course, he equates the problem with failure of his colleagues to push for raising taxes.

The HIP is the first of its kind, and it is intended to be a living document. For the last five years, collaboration has continued to build, and these incremental steps have allowed the region to make progress in addressing the monumental challenges of the housing and infrastructure shortage. Next steps to follow stakeholder guidance during Summer 2023 Outreach.

The write-up is general:

The Regional Housing & Infrastructure Plan (HIP) is a collaborative action plan between nine local jurisdictions in response to the San Luis Obispo region's growing housing and infrastructure shortage. The HIP is intended to help accelerate housing development where it makes the most sense given regional conditions and readiness. The HIP inventories infrastructure barriers to housing, identifies funding to implement infrastructure needs, and develops foundational information for the future 2027 Regional Housing Needs Assessment (RHNA).

The County, seven Cities, and San Luis Obispo Council of Governments (SLOCOG) approved the first major milestone of the HIP - the San Luis Obispo Countywide Regional Compact. The Regional Compact is an aspirational document that sets the tone and goals for future recommended plans and actions among the local agencies. It establishes a united regional framework to unlock the potential to develop an adequate supply of housing and resilient infrastructure that supports our economic prosperity. It recognizes that people, water, transportation, connectivity, and housing form the foundation of the San Luis Obispo region's healthy, livable communities and thriving economic opportunity.

Figure 1: HIP Elements

HIP Element	Informs
Data and Project Inventory	Infrastructure barriers to housing
Housing Efficiency Analysis	Housing Efficient Areas in HIP
Infrastructure Prioritization	Region's highest priority projects to unlock housing
HIP Mapping Tool	Living strategic analysis tool used to show the interrelation between housing and infrastructure
Affordable-by-Design Study	Menu of possible policies to increase housing attainability
Funding Strategies Assessment	Funding the region could pursue for priority infrastructure
Housing Highlights	Communication tool: Understanding the need for housing, affordability, and opportunities

There were 440 infrastructure projects collected as part of the data inventory. Of those, 18% (80 projects) were located within Housing Efficient Areas. The 80 projects were ranked using a three-tiered prioritization process based on potential new housing units served. The estimated cost for all 80 HIP projects is over one billion dollars. About one quarter of the HIP projects are water related with the remaining being transportation improvements.

Figure 2: Draft HIP Priority Projects Summary

	Estimate ($ Millions)	Projects
Estimate for all HIP Projects	**$ 1,015**	**80**
High	$ 348	54
Medium	$ 385	10
Low	$ 281	16

F-4 NEW SALES TAX INCREASE FOR TRANSPORTATION TAX DOLLARS BEING SPENT FOR PROMMOTION - Supplemental Funding: Polling Results and Next for a Sales Tax for Transportation. The item was approved on an 8/4 vote with Supervisors Arnold and Peschong dissenting. Mayor Moreno of Atascadero and Mayor Wixom of Morro Bay also dissented.

The purpose of this staff report, and the polling results, is to determine whether or not to take another step toward becoming a Self-Help County – a designation that is only achieved if voters have an opportunity to vote on, and 2/3rds support, a future ballot measure. This step would increase engagement efforts to identify the public's specific needs, develop focus groups, gather new poll results, and report to the Board. Many more steps would be required prior to considering the option to submit a new measure to the voters, including the development of a Transportation Expenditure Plan and safeguards (oversight committee, maintenance of effort, etc.

This poll was completed in April 2023. Top of mind issues may have included: income tax filing day, high fuel prices, high inflation, Ukraine/Russia war, several small bank failures, and the recent pandemic. Conditions and top of mind issues may change in a future election cycle .

SLOCOG Past Polling Results Comparison:

	2011	2015	2016	2023
½ cent 30 years	57%	-	-	-
½ cent 25 years following engagement	-	-	63%	-
½ cent 20 years pre-engagement	60%	44%	-	63%
½ cent 10 years	-	56%	-	-
Election (J-16): ½ cent for 9 years	-	-	66.3%	-

Notes: %s above represent highest % from each survey.
Measure J-16 results by Supervisorial District - 1: 59%; 2: 71%, 3: 71%, 4: 66%, 5: 63%

The staff recommended that the Board approve a new $116,000 for its campaign consultant to undertake the research below to promote a sales tax measure. This is blatant use of your tax dollars to promote a tax being placed on the ballot. Simply read, the plain language below spells it out:

1. Public Engagement and Outreach ($30,000): Staff and its engagement consultant(s) seek to engage with groups and organizations (as many as possible) at the community level. This would initiate a conversation with key stakeholders and voters to identify local needs, issues, and concerns. These meetings would serve to raise awareness, identify benefits, build trust, and *more. Key results of this effort are to inform the development of a future poll, Expenditure Plan, safeguards, and possibly, proposed measure. This effort would initiate in June, with most meetings would be completed between July and early September. Results would be shared with TNR/sub consultant. (Draft Contract link)*

2. *Focus Groups ($10,000): One engagement consultant will recruit and moderate a series of four (4) total focus groups with registered voters in the San Luis Obispo region. These groups will be conducted in the Five Cities area, San Luis Obispo, Paso Robles/Atascadero, and Morro Bay/Cambria. This consultant will recruit respondents for each group to seat 8 to 10 for each group, and report results to TNR/sub consultant.*

3. Technical Advice ($40,000): TNR/sub consultant(s) will be involved peripherally to assure integration of all components. The consultant will provide critiques and suggestions for the website, engagement activities and tools, focus groups, and poll questionnaire during each components preparation as well as identifying key outputs for their collection and review. Additionally, this effort will expand upon grass-roots meetings by preparing/purchasing digital media to connect public to a website to collect their input as well. Results of engagement efforts will be assimilated and distilled to key results, takeaways, alternatives to inform a tracking poll and to inform a possible Expenditure Plan as well. Staff will work with TNR to identify a suitable sub consultant for this effort.

4. Polling ($36,500): TNR will perform a full-size tracking poll, again, aiming at 1,000 responses through a statistically valid methodology. This poll will test success of recent public engagement efforts and public concern about transportation and awareness of needs; test support for transportation-related issues and quality of life investments; test support for a new tax, and related issues, such as taxpayer safeguards; and assess support for overall goals of a local sales tax plan. Top lines will be produced and presented to the SLOCOG Board and a final report prepared. (Amended Contract link) SLOCOG Staff Efforts: Staff will work with the c

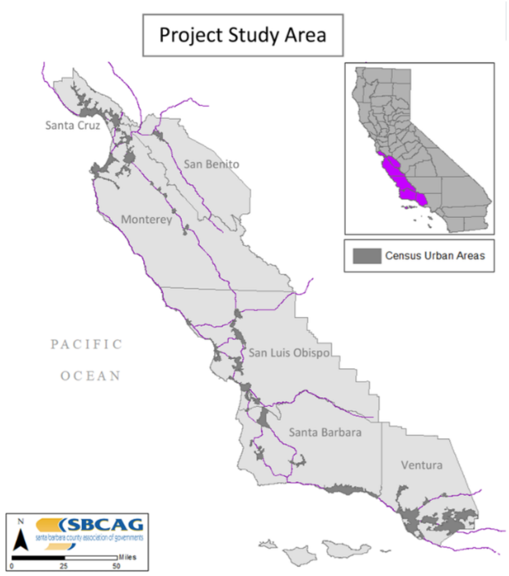
Proposed Schedule(s):

Task	Option 1	Option 2
Prepare materials, website, online tools, presentations, scheduling	June	June
Begin engagement with in person meetings	July	July-Sept.
Digital Marketing Outreach	July	September
Board Meeting Update / Direction	Aug. 2	Aug. 2
Focus Groups	August	September
Polling	August	October
Board Review of Results and Materials	October	December
……..more steps and meetings……….		
Possible Ballot Measure	Mar. ‘24	Nov. ‘24

F-5 Draft Central Coast Emissions Strategy. The staff was authorized to submit the grant application. SLO County, Santa Barbara County, Ventura County, San Benito County, and Monterey County have developed a joint plan to promote the use of electric vehicle charging stations and are now eligible to submit a grant application to receive funding to acquire and install them. The item is deficient in that it does not state how much they will cost, who will operate them, and who will pay for the maintenance and repairs, once they are installed.

SBCAG will submit an application on behalf of the Central Coast for $15-$20millioni in hopes of being awarded funding to install a number of electric vehicle chargers throughout the Central

Coast region. There is no local match commitment required from SLOCOG or the County of San Luis Obispo fort his grant application.

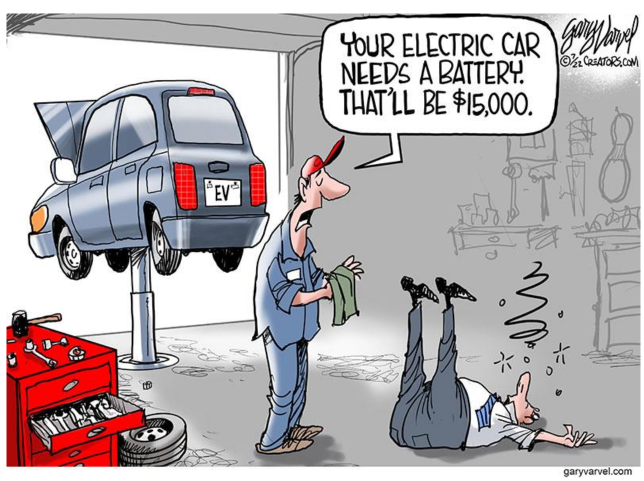


Project Study Area

The project study area is the California Central Coast region of Santa Cruz, San Benito, Monterey, San Luis Obispo, Santa Barbara, and Ventura counties. The study will include improving ZEV access among rural and disadvantaged communities, including Native American Tribal Governments, within the study area.

The project has an estimated completion date of May 2023.

The poor sucker lemmings who are buying the overpriced, slow charging, and under ranged EVs will sadly learn the truth when the grid collapses and they are trapped.



Item G - SLCOG State Lobbyist Report on Transportation, Carbon Reduction, and Housing related bills under consideration in Sacramento. The Board received the report. Clearly the lobbyist thinks that the Legislature is totally loony**.** Some of these illustrate the extreme lunacy and hysteria now predominant among our leadership class.

3) **AB 9 Muratsuchi (D)** – California Global Warming Solutions Act of 2006: emissions limit ***(Recommendation: Watch)***
https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB9

5) **AB 463 Hart (D)** – Electricity: prioritization of service: public transit vehicles ***(Recommendation: Support)***
https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB463

7) **AB 610 Holden (D)** – Youth Transit Pass Pilot Program: free youth transit passes ***(Recommendation: Watch)***
https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB610

11) **AB 1335 Zbur (D)** – Local government: transportation planning and land use: sustainable communities strategy ***(Recommendation: Oppose)***
https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB1335

17) **SB 670 Allen (D)** – Vehicle miles traveled: maps ***(Recommendation: Watch)***
https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB670

Planning Commission Meeting of Thursday, June 8, 2023 (Completed)

In General: There are no major policy issues. The agenda consists of requests for permits for several single home projects. It also contains requests for permits for several smaller size multi-family projects and a small subdivision. The latter include:

Item 5 - Hearing to consider a request by John Gardner for a Tentative Tract Map (C-SUB2022-00001/Tract No. 3189) and a Development Plan / Coastal Development Permit to construct a mixed-use commercial and residential development project on a vacant, approximately 6,000 sq. ft. Site, and the subdivision of two, approximately 3,000 sq. ft. parcels into eight air-space condominium units. The three-level, 25-foot-tall mixed-use building will consist of: approximately 4,944 sq. ft. ground floor (Front Street) commercial floor level (containing up to four commercial units); 4,464 sq. ft. second floor (containing four residential units); 5,497 sq. ft. Basement level containing parking garage, storage, waste facilities and circulation; and 3,665 sq. private residential roof deck area with mechanical equipment storage and screening. The project includes a request to establish up to four residential vacation rentals within the residential condominium units. The project will be served by an existing 20-foot-wide private access driveway and will provide six dedicated on-site parking spaces for the residential units.

The proposed project is within the Commercial Retail land use category and is located at 490 and 498 Front Street, within the community of Avila Beach (Front Street Commercial District).

The staff seems to recommend approval of the project, although the Avila Valley Advisory Council has a number of objections and requests for design revisions.

West (Corner Side) Elevation

Item 6 - Hearing to consider a request by Peoples' Self-Help Housing for a Development Plan/Coastal Development Permit (C-DRC2023-00018) to allow the construction of 33 deed-restricted apartments located within seven buildings with a total floor area of 34,850 square feet, a community services building of 2,880 square feet and related site improvements. The project includes requests for setback waivers and height concessions pursuant to the State Density Bonus Law Section 65915(d)(2).

The project is in the Residential Multi-family land use category and is located at 2845 Schoolhouse Lane, within the community of Cambria. The site is in the North Coast Planning Area.

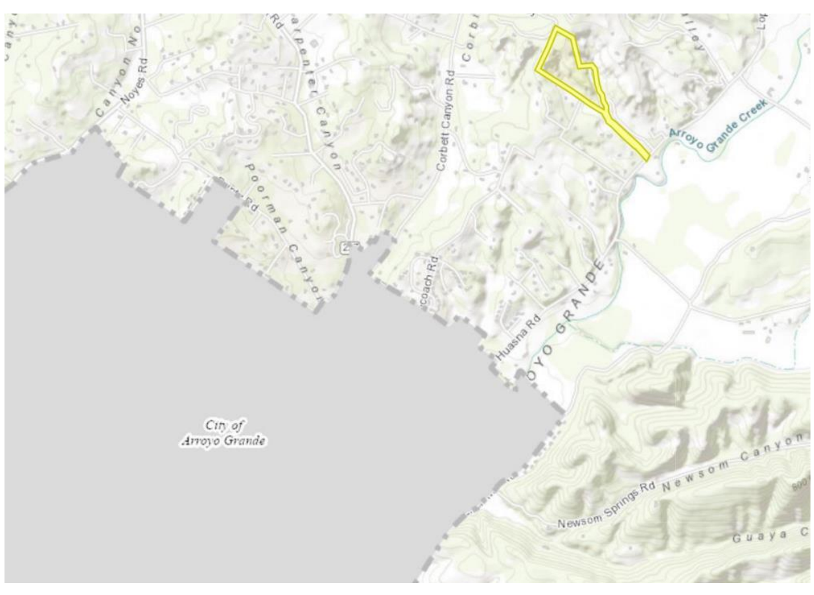
Figure 2 – Proposed Modifications

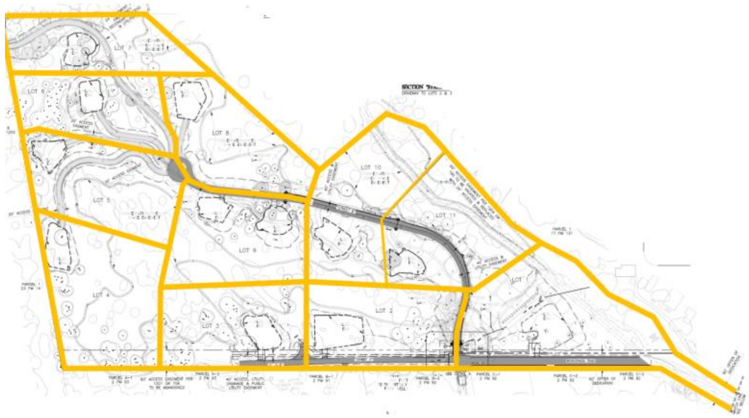
Figure 3: Rendering – Building Types A and B

There does not appear to be any opposition at this time. The project was approved back in 2019 and was ultimately appealed to the Coastal Commission. In the end the Commission approved the project, but the process took so long that it was never started. The applicant is now resubmitting. And people wonder why even subsidized affordable housing is not affordable.

Item 8 - Hearing to consider a request by Mid-State Properties for a Vesting Tentative Tract Map (Tract 2383) and Variance to subdivide a 37-acre parcel into 11 new residential parcels, ranging in size from 2.5 acres to 4.56 acres. A building envelope is proposed on each parcel ranging in size from 6,620 square feet (sf) to 15,850 sf. The project would require 51,000 cubic yards of cut and 51,000 cubic yards of fill (102,000 total cubic yards of earthwork) and would result in 12.5 acres of site disturbance as a result of grading for road and utility improvements, vegetation removal, recontouring of the former quarry, and grading of future building pads.

The project site is located in the Residential Suburban land use category, on the northeast side of Hondonada Road, approximately 1,500 feet north of Lopez Drive, northeast of the City of Arroyo Grande.





Custom homes here should sell for millions.

California Coastal Commission Meeting of Wednesday, June 7, Thursday, June 8, and Friday, June 9 2023 (Completed)

New Limitation on Coastal Commission general public comment. The Commission schedules separate 3-day meetings each month with separate agendas segregated by regions of the coast (North, Central, and South). Notwithstanding the Open Meeting Law, the Commission will allow an individual to speak on only one day and one topic per month for 2 minutes.

GENERAL PUBLIC COMMENT. *Public comments that are not related to any of the items specifically listed on the agenda will be heard at approximately 9:00 am, for no more than one hour. At the discretion of the Chair, speakers may be given up to 2 minutes. Due to the transition to a virtual meeting platform, the Coastal Commission at this time will not allow for the ceding of time from one speaker to another speaker. Note: You may address the Commission on a specific topic one time only each month. Please submit a request to speak by 5:00 pm the day before the hearing to assist with meeting management sign up. We will stop taking speaker requests by 8:30 am on each day of the meeting. Please see the Coastal Commission's Virtual Hearing Procedures memo for submitting a request to speak.*

This month's meetings: There do not appear to be any significant policy topics pertaining to San Luis Obispo County or its coastal communities.

Unfortunately the write-up does not provide any estimates of the cost per occupancy and/or parcel of the new tax. It is difficult for the Board and the public to gauge whether to ignite this process without some idea of the tax parameters. In the end an election will have to be held to reject or approve the tax. However, it would be prudent to have some estimates at this point.

SPONSORS

EMERGENT ISSUES

Item 1 - California Puts a Price on Slavery's Legacy and Draws a Blueprint for Reparations

By one reckoning, the state's payments could reach $1.2 million per person. But who is compensated, and by whom, is far from resolved?

Item 2 - SLO County Supervisors Argue Over Racism Resolution - By KAREN VELIE – Cal Coast News

San Luis Obispo County supervisors argued on Tuesday over a resolution denouncing racism after multiple public speakers objected to the vilification of Templeton and of the importance of freedom of speech.

Supervisor Jimmy Paulding asked for the resolution condemning racism and hate speech. His resolution focused on an incident where one man pepper-sprayed people with different views and another when four men hung a racist and anti-Semitic banner, both of which occurred on an overpass in Templeton.

Supervisor Debbie Arnold said that while everyone should condemn racism, she opposed calling out Templeton.

"It does not help to react to something divisive," Arnold said before making a motion to adopt the ordinance with the removal of the paragraph about Templeton.

After knocking concerns about the First Amendment, Supervisor Paulding said he wanted to keep the references to the Templeton incidents in the resolution.

"This action takes a step towards unifying our community," Paulding said. "I think this resolution is drafted appropriately."

Supervisor Bruce Gibson agreed, saying he wanted information about the banner included, but agreed to remove the location. Supervisor Dawn Ortiz-Legg agreed they should remove the reference to Templeton.

Supervisor John Peschong, who is from Templeton, noted that officials from the CHP and Caltrans said the four men who hung the white pride banner were from Tulare, and that they traveled throughout the state with the same banner. After denouncing antisemitism and racism, Peschong noted people have a First Amendment right to voice their views.

The board then passed Arnold's amended resolution, with Paulding and Gibson dissenting,

Unaware that Ortiz-Legg had not voted with him, Gibson attempted to make a motion to pass the original resolution, but Peschong shot him down saying Arnold's motion had passed 3-2. Gibson then asked Ortiz-Legg if she voted for Arnold's motion.

Following a short break in which Gibson allegedly chastised Ortiz-Legg, she came back with a request for a reconsideration of the resolution. Ortiz-Legg then made a motion to adopt the original resolution with one change, remove the reference to Templeton.

Her motion passed 3-2 with Peschong and Arnold dissenting.

COLAB IN DEPTH

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

PROPERTY RIGHTS, CIVILIZATION, AND THEIR ENEMIES

BY THOMAS J. DILORENZO

[This article is adapted from a lecture delivered at the Reno Mises Circle in Reno, Nevada. on May 20, 2023.]

It is not an exaggeration to say that property rights are a prerequisite for civilization. As Ludwig von Mises wrote in *The Free and Prosperous Commonwealth*:

Private property creates for the individual a sphere in which he is free of the state. It sets limits to the operation of the authoritarian will. It allows other forces to arise side by side with and in opposition to political power. *It thus becomes the basis of all those activities that are free from violent interference on the part of the state. It is the soil in which the seeds of freedom are nurtured and in which the autonomy of the individual and ultimately all intellectual and material progress is rooted* (emphasis added).

The story of the Pilgrims shows that America was literally created because of the recognition of this truth. In 1607 all but 38 of the original Jamestown, Virginia settlers were dead from famine. An additional 500 came and 440 died. This was known as the "starving time." Sir Thomas Dale, the high marshal of the Virginia colony, recognize the problem to be what we today would call agricultural socialism. The residents of the colony worked the fields and shops and everything was put into a common store. Each family was given an equal allotment. Thus, the man who worked diligently fourteen hours a day was paid the same as the man who decided to work not at all.

Sir Thomas Dale gave each man three acres of private land to homestead, which was soon expanded to 50 acres. It made all the difference, as people realized that the harder, smarter, and longer they worked, they more they and their families would prosper.

The exact same scenario played out years later in Plymouth, Massachusetts where half of the original pilgrims died. The wife of William Bradford, the leader of the Mayflower expedition, committed suicide by jumping off the Mayflower because of all the death surrounding her. Her husband, like Sir Thomas Dale, finally figured out the problem—the absence of private property and secure property rights. Homesteading of private property was established, and the American colonists began to thrive.

Homesteading combined with secure property rights and almost no government intervention resulted in each region of the colonies excelling by relying on their comparative advantages. New England excelled in shipping, fishing, and primitive manufacturing, while the Southern colonies became agricultural powerhouses. The American economy in 1775 was 100 times larger than it was in the 1630s and the American colonists had one of the highest per capita incomes in the world.

The American Revolution was a war of secession from the corrupt mercantilism of the British empire characterized by cronyism, protectionism, military imperialism, and central banking in the form of the Bank of England. Citizens of empires are viewed by their rulers as mere tax slaves and cannon fodder at the disposal of the state, and the American colonists had had enough of it.

The Road to Legal Plunder

In his recently published *John C. Calhoun: Statesman for the Twenty-First Century,* Clyde Wilson pointed out that in his famous 1850 *Disquisition on Government*, which Murray Rothbard praised as the greatest work in political philosophy written by an American, Calhoun perceived the political world of the first fifty years of the nineteenth century as a constant battle between the Hamiltonian vision of a highly centralized, monopolistic state with heavy taxes, heavy public debt, protectionism, corporate welfare, and military aggression financed by a central bank, and the Jeffersonian vision that was essentially the opposite. (Hamilton argued for a permanent president at the constitutional convention and stormed out when he didn't get his way).

Presidents Jefferson, Madison, Monroe, Jackson, and Tyler all opposed or vetoed some or all of the Hamiltonian vision, dubbed "The American System" by Hamilton himself, which included protectionism, corporate welfare, and central banking. Such a vision provides the ingredients of what Frederic Bastiat called "legal plunder" in his famous book, *The Law,* also published in 1850. Calhoun's *Disquisition* and Bastiat's *The Law* both eloquently made the natural law argument that in theory government can be used to protect life, liberty and property. However, these two great men wrote, government can also pervert its legitimate purpose and abolish property rights with such interventions as protectionism. “The Law Perverted” appears in bold print in *The Law* where Bastiat discusses this point.

Hamilton and his political heirs such as Henry Clay and Lincoln always wanted to bring the corrupt British mercantilist system that the colonists fought a revolution against to America, cynically calling this putrid British political regime the “American” system. They finally succeeded in the 1860s when Lincoln, dubbed “the political son of Alexander Hamilton” by Lincoln biographer Edgar Lee Masters, ushered in fifty years of protectionist tariffs (increasing the average tariff rate from 15% to around 60%; showered his former employers, the railroad corporations, with historic levels of corporate welfare (which led to the biggest political corruption scandal in American history up to that point during the Grant administration); and nationalized the money supply with the National Currency Acts and Legal Tender Acts. The road to legal plunder had become a highway. Once the railroad corporations were subsidized, myriad other industries began marching to Washington to beg for their share of the loot.

One consequence of Lincoln’s war was that the federal government finally became a judicial dictatorship, with five government lawyers with lifetime tenure empowered to declare what liberties all Americans were to be afforded. Before the war there was a widespread belief that especially on issues as important as constitutional liberty, there should be opinions offered by all three branches of government, not just the judiciary, as well as the people of the sovereign states. When the “supreme” court declared the Bank of the United States to be constitutional, President Andrew Jackson responded by essentially saying thank you for your opinion, but my opinion is the opposite, and my opinion is just as valid as your opinion.

Before the war many states, North and South, nullified federal legislation that *they* believed was unconstitutional. That cause the federal government to be somewhat more devoted to the Constitution. That all became history because of the war and the massive centralization of governmental power that it created. The Jeffersonians had long warned that if the day ever came when the federal government itself became the sole arbiter of the limits of its own powers, then Americans would live under a tyranny. Is there a better example of “the fox guarding the henhouse?"

An especially damaging “supreme” court decision that really opened the floodgates of legal plunder was the 1877 case of *Munn v. Illinois.* Farmers had near monopoly political power in the Midwest and used it to gang up on and plunder two brothers who operated a grain storage business. They got the Illinois legislature to pass a price ceiling law on grain storage, an act of legalized theft if ever there was one. They gave no sappy widows-and-orphans excuse for the law; they had to power to get the legislature to steal from the Munn brothers, and so they did.

The majority of the “supreme” court declared that if one does business that affects “the public” then one must submit to regulation of your business by “the public.” Of course, by “the public” they really meant the sleazy political criminals in the Illinois legislature at the time (some things never change).

The dissent in the case was written by the heroic Justice Stephen Field who said, “The principle upon which the opinion of the majority proceeds is, in my judgment, subversive of the rights of private property, heretofore believed to be protected by constitutional guarantees against legislative interference.” It was “heretofore” believed that property rights are protected by the constitution, said Justice Field. He also warned that once such legal plunder was declared to be fair game, then the Munn brothers would have the “right” to organize their own political coalition to plunder the farmers of Illinois with *their* legislation. And on and on it would go with plunder seeking run amok. This was the very thing that James Madison warned against in *Federalist* #10 when he argued that the whole purpose of the Constitution was to limit "the violence of faction," by which he meant this sort of special-interest politics.

Regulatory plunder soon became pervasive and common place, with the Interstate Commerce Commission created to enforce a monopoly cartel for the railroad corporations; "natural" monopolies created by government regulation for the utility industries (see my article, "The Myth of Natural Monopoly"); The Civil Aeronautics Board created to enforce a cartel for the airline industry; The Fed created as a banking industry cartel; and much more. Corporations have been true capitalism's worst enemies.

This all evolved into fascism during the FDR administration. In his famous book, *The Roosevelt Myth*, John T. Flynn wrote of how the National Recovery Administration was almost identical in every way to how Mussolini centrally planned the Italian economy. "This was fascism," he wrote.

The biggest attack on property rights was the adoption of the federal income tax in 1913. As Frank Chodorov explained in *The Income Tax: Root of All Evil*, the government was now saying the following:

Your earnings are not exclusively your own. We have a claim on them, and our claim precedes yours. We will allow you to keep some of it, because we recognize your need, but not your right; but whatever we grant you for yourself is for us to decide. . . . The amount of your earnings that you may retain for yourself is determined by the needs of the government, and you have nothing to say about it.

The income tax thus established the federal government as essentially the largest criminal gang on the planet, a Mafia times ten thousand, or a hundred thousand, in terms of bald-faced theft and the enslavement of a large part of the population for at least part of the year. ("Tax Freedom Day," when the average American earns enough just to pay all of the taxes due, currently occurs in April).

The New Road to Totalitarian Destruction

Political cronyism and legal plunder continue to metastasize and are especially visible in the unholy alliances between the pharmaceutical corporations, the banking industry, "tech" companies, and the state. But the attacks on property rights and civilization took a more directly destructive turn beginning in the 1960s when the Marxist Left settled on green totalitarianism as their new strategy, designed to literally destroy the free enterprise system once and for all and impose socialist central planning in the name of Mother Earth. As Mises wrote in *Human Action* (p. 414), socialism has always been "the spoiler of what thousands of years of civilization have created." It has always been about "destructionism," wrote Mises, in the form of destroying all of existing societies to supposedly start from scratch in designing and centrally planning humanity.

First came such books as *The Population Bomb,* a neo-Malthusian farce that warned that population was outstripping resources, which would lead to worldwide starvation. Author Paul Ehrlich became a celebrity by arguing for sterilants placed in public water supplies and a neutering of the Catholic church so that it could no longer oppose abortion. The Marxist Left had abandoned its pretense of being for "the people." It now hated "the people" and wanted as few of them to survive as possible. The founder of Earth First! even famously declared that "we can only hope the right virus comes along."

The second strategy was to claim that pollution caused by capitalism was blocking the sun and causing a new ice age. "U.S. Scientist Sees New Ice Age Coming," blared a July 9,, 1970 *Washington Post* headline. "Scientist Predicts New Ice Age by 21st Century," blared the *Boston Globe* on April 16, 1970. There were hundreds of other similar scary headlines all throughout the 1970s. The only way to save ourselves, we were told, was to destroy economic freedom and property rights and replace them with socialism and central planning.

That of course didn't' happen in the 1970s, so the Marxist Left resorted to a Plan B. "Rising Seas Could Obliterate Entire Nations" said an Associated Press headline on June 30, 1989. "Snowfalls are Now Just a Thing of the Past," advised the British *Independent* on March 20, 2000. Now global *warming* was going to destroy the world. Unless of course we destroy economic freedom and property rights and replace them with socialism and central planning.

Well, that didn't work out either for the Marxist Left. We did not destroy our economy, despite the best efforts of the political class and the Fed. So now the new mating call of the Marxist Left is climate *change*. The world's climate has been changing for millions of years, but that must be put to an end, we are told. And the only way to do that would be to destroy free enterprise and property rights and replace them with socialism and central planning. A necessary first step, the president of the United States recently stated publicly, would be to end the use of fossil fuels altogether. No thought seems to have been given to the negative consequences of that.

The Real Isolationists

In *Human Action,* Mises wrote that "What distinguishes man from animals is the insight into the advantages that can be derived from cooperation under the division of labor." It is important to realize that when we talk about trade and exchange, it is property rights that are being traded and exchanged. The advantages of the division of labor require a high degree of economic freedom, and especially private property. Mises went on to say:

Man curbs his innate instinct of aggression in order to cooperate with other human beings. The more he wants to improve his material wellbeing, the more he must expand the system of the division of labor. Concomitantly he must more and more restrict the sphere in which he resorts to military action. The emergence of the international division of labor requires the total abolition of war. Such is the essence of the laissez faire philosophy. . . . This philosophy is, of course, incompatible with statolatry.

A large part of the international division of labor was abolished during the twentieth century by war, socialism, and the Cold War. Nothing destroys the benefits of the division of labor more than war. Americans are always isolated from those whom they are waging war with, giving the lie to the standard neocon line that the advocates of peace are "isolationists." Nothing—nothing—isolates us from other parts of the world than war. How many American businesses do you suppose are currently planning to start up entrepreneurial ventures in Ukraine? How about Syria, Iraq, or Afghanistan? Sure, you have the politically connected vultures who swoop in to make billions rebuilding countries that we or our "allies" have bombed into the stone age. Rebuilding infrastructure that our own bombs destroyed is the modern-day version of the old joke about how so many government jobs are similar to people getting paid to dig a hole and then fill it up again. Only this time the hole is created by mega-ton bombs, filled up with multibillion-dollar government contracts to corporations that have made significant "campaign donations" to the politicians who ordered the bombings in the first place. The neocons who have *instigated* all of these endless wars are the real isolationists and destroyers of the international division of labor and the civilizations that it creates.

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IS REMOTE WORK REALLY THE FUTURE? WORKERS MAY BE HEADING BACK TO THE OFFICE FOR FIVE DAYS A WEEK SOONER THAN THEY THINK

BY ALLISON SCHRAGER

Economic change often happens gradually, and then some big shock comes along—a war, a natural disaster, or a global pandemic—and slow-moving changes already in the works suddenly accelerate. For a while, it seemed like this was the case with working from home. Once households had access to strong Internet connections, many knowledge and service jobs could be done remotely. Yet, until recently, most people still worked in the office five days a week. This was the cultural norm for as long as anyone could remember. It's just what we all did.

Then office workers were sent home in March 2020, as the pandemic struck, and they did their work there. Many employees loved not having to put on presentable clothes, get in a car or on a train, and deal with coworkers all day. And without their co-workers distracting them, they not only got their work done but also felt more productive. In one survey, 77 percent of workers said that they were more productive out of the office. Early research in 2020 indicates that working at home resulted in productivity gains of about 13 percent. Many never want to go back to the office—in another survey, 65 percent of people said that they would like to work remotely all the time. Now some workers are even counting on it, having moved out of commuting distance from their jobs.

It won't last. Even if we have the technology to work from home, we don't have the culture for it, and many jobs still have tasks and functions that can't be done remotely. In theory, hybrid work—coming into the office two or three days a week—offers the best of both worlds, but in practice it often brings the worst of both. Eventually, most of us will be back in the office most days of the week. If you crave flexibility, you will pay for it or opt for less traditional work.

Working from home was indeed somewhat unusual before Covid-19. According to the U.S. Census in 2019, just 5.7 percent of Americans worked from home (9 million); in 2021, that number had jumped to 17.9 percent (27.6 million). Before Covid, only about 5 percent of paid workdays took place at home; that figure was over 60 percent in the spring of 2020 and remained elevated in 2021, at 50 percent. According to a survey from McKinsey, in 2022, 87 percent of workers were remote at least one day a week.

The preference to work from home is understandable. Before the modern era, for most of human history, people worked closer to home; farmers or small-scale artisans engaged in home-based production. Industrialization changed that. Jobs were now in factories, where workers had to be located for a preset number of hours daily, working with others with whom they had no previous social connection, and doing whatever their bosses (also likely with no prior relationship to them) told them to do. The experience can be terrible now, and it felt even worse in the nineteenth century, when individuals were more accustomed to personal autonomy. According to economic historian Joel Mokyr, it took decades and lots of social conditioning for us to adjust to this new way of working. Initially, factories hired lots of women and children because they were more compliant than men, who found the whole situation demeaning. One reason factory owners were early champions of universal education was because it conditioned people to go somewhere every day and be told what to do.

The factory model of work was necessary for the industrial economy to function. From the Bronze Age to the Agricultural Revolution, the nature of work has evolved as new technologies changed the economy. Few of these evolutions, however, were as transformative as industrialization.

Eventually, as technology mutated further, jobs shifted from factories into offices. Like factory work, office jobs required people to come together and work for a boss; they had to be in the office to collaborate in teams or see clients, and the tools of the trade were in the office, too.

More recently, as technology associated with the Internet emerged, work has changed yet again. Computers, once large, expensive, and only to be found in offices, are now compact enough for everyone to carry to and from work, as long as both locations have a good Internet connection. It would have been hard to imagine everyone working from home even 15 years ago, but today better software and applications like Zoom and Microsoft Teams mean that meetings can happen online, from your living room. This makes it possible to shift production back to the home, as in pre-industrial times—albeit now in a service-industry economy.

Possible, but not likely—not yet anyway. Perhaps someday that full-scale move will happen, but technology has not altered work or human nature enough to make working from home the norm.

Much of the productivity bump due to remote work during the pandemic came from time saved in commuting and making ourselves presentable to the public. And many tasks we do in a given day—finishing deliverables on firm deadlines—can be done on a computer or over the phone at home. But for many employees, work isn't just daily deliverables like logging into a meeting or speaking with a client; intangible expectations are not only important to company culture but also serve a vital role in the larger economy.

Innovation and problem-solving often rely on collaboration. Sometimes this happens spontaneously—for example, over coffee while chatting with a colleague about the pointless meeting you just sat through. In-person workers also provide valuable services like mentoring, training, and advocating for younger colleagues. This is why Stanford professor Nicholas Bloom—who estimated the 13 percent productivity gain from remote work mentioned above—

worries that working remotely every day will reduce productivity and innovation over the long term.

In the preindustrial world, apprenticeship systems flourished, and people grew up working alongside family and neighbors. These experiences imparted skills, a sense of community, and socialization. But nothing exists today to replace our current system of training, mentorship, and socialization. Workers say that they're happier working from home, yes—but they also report higher levels of loneliness and isolation.

Early pandemic measures of remote-work productivity don't capture the long-term effects of working from home because they can't capture the impacts of lower levels of supervision, in-person collaboration, and loneliness. But a new paper estimates the value of "proximity" by studying a Fortune 500 firm that utilized two office buildings several blocks apart. Pre-pandemic, they estimated that engineers who worked in the same building as their colleagues got 23 percent more feedback than the engineers who worked in a different building than their co-workers. However, when pandemic restrictions sent everyone home, this difference shrank to 17 percent. The fall in feedback was even more striking for junior and female engineers. Junior and female staffers were also more likely to quit when they worked remotely. (To be sure, senior engineers tend to be less productive when they have to give feedback to less experienced colleagues, suggesting a trade-off between short-term productivity and the benefits of training.) The economists who studied the firm also noticed that having just one remote colleague reduced the amount of feedback for the whole team.

Some researchers claim that we don't need an office for these interactions, which can be simulated with digital meetups or offsite events. But even with new technology, humans are still humans. How we connect, form relationships, and collaborate has not changed that much; these interactions come from sustained and regular contact, often in informal settings. The proximity research illustrates why working together, in person, on a regular schedule is so important, no matter how far technology advances.

This explains why bosses have been desperate to get employees back into the office. Earlier this year, JP Morgan CEO Jamie Dimon said of remote work, "It doesn't work for young kids or spontaneity or management." Other bank CEOs have also pushed to return to five-day in-office work weeks. The federal government is finally forcing its workers back to the office.

But employees aren't listening. Even if it makes us lonely and isolated in the long run, people want to work from home. More than 41 percent of workers said that they would look for another job if their current one demanded them to be in the office every day. Some workers say they would take a nearly 20 percent pay cut to avoid the office routine. When Dimon posted a memo on the importance of working in-person, after many employees had already ignored previous orders to return, he was called tone-deaf and divisive.

For now, the uneasy truce between in-office and remote work is hybrid work. According to Bloom, from a productivity perspective, this might be ideal. A few days for mentoring and collaboration, and a few days where you save time by not commuting or having to kibbitz with your coworkers.

In other ways, though, hybrid work hits a sour spot. One of the benefits of the hybrid model is supposed to be flexibility, but the whole purpose of coming into the office is to have the whole team in one place at the same time. If employees come in only when their schedule allows it, or when the mood strikes them, leading to a scattered workforce, then everyone might as well stay home. And if the team coordinates which days they come in, on the other hand, then they no longer have flexibility.

Hybrid schedules also fail to save the firm money on office space, because having the whole team simultaneously present, even for a couple of days, takes the same amount of space as a five-days-a-week schedule. Nor is it clear that hybrid work is a stable situation that will survive a weakened labor market. Hybrid risks becoming the new "you don't have to answer your emails on the weekend" rule—observed in theory, but not in practice. If you want to demonstrate dedication to your job, you show up to the office daily. Workers who do that will never miss impromptu meetings. They will be there for the post-meeting water-cooler talk, where decisions are often hashed out, and they will be at the top of their manager's mind for new projects and promotions, because the boss sees them every day.

This may be why those who want flexible work because of family or other commitments tend to end up penalized. They're the ones not around and risk being the first ones let go. Work from home can be a trap that widens disparities in the work force.

Longer term, while technology may enable remote work, it also makes jobs less secure. As artificial intelligence infiltrates the workplace and remote screen work improves technologically, it will be easier to hire jobseekers from other countries, who are typically much cheaper. A workers' value under these conditions will likely be based in being able to do something that AI, or someone thousands of miles away, cannot—offer a real human interaction. This will require being in the office.

We will not go back completely to pre-pandemic work habits. Working from home when it is necessary—say, to care for a sick child or to manage one's own illness—will probably be more common. Work-from-home also offers more and better possibilities for contract workers and those working part-time as part of their transition into retirement—more options, more flexible work. But if you seek success in your company or institution, you'll be in the office most days of the week.

Allison Schrager is a senior fellow at the Manhattan Institute, a contributing editor of City Journal, and host of the Risk Talking podcast. This article first appeared in the June 7, 2023 City Journal

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