



**COLAB**  
San Luis Obispo County

The Coalition of Labor Agriculture and Business

**Weekly Update**  
**November 24-December 1, 2025**

**We wish all our COLAB friends and their families a  
fine Thanksgiving.**



## Fees – Lots of Ups, A Few Downs and Confusion

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

The review was done at the request of the BoS to attempt to get “full cost recovery” from services supplied to the public. In other words, if a person applies for some sort of permit, and it takes county staff two hours to process the permit, the applicant will be charged a fee that covers most of those two hours of work. The fee is set based on the average time involved in that specific application review process.

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

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

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

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

The Real Time Billing concept has brought about many questions. The main concern is that some county staff are more efficient than others. If the staffer

working on an unusual permit request is unfamiliar, or becomes confused, the costs go up for the applicant.

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

As we covered last week, there are some dramatic fee increases underway. Among the most severe are those for Williamson Act costs. The Compliance Fee for the Williamson Act (farmland conservation) is proposed to go from \$925 to \$5,017 for an increase of \$4,092. The application fee for a Land Conservation Contract is proposed to go from \$2,336 to 8,487 for an increase of \$6,151.

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

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

## **New Priority: Economic Development**

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

The new priority is Economic Development.

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

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

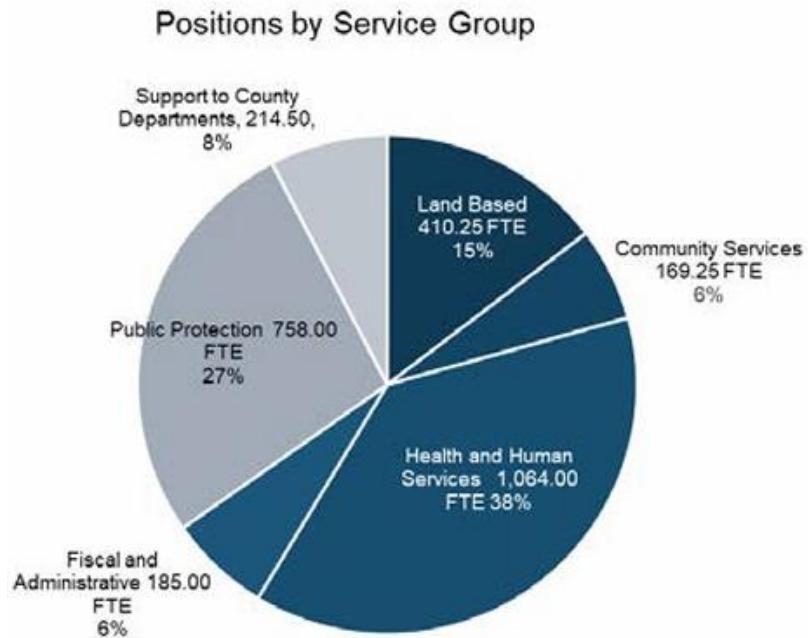
Enter Economic Development – foster the establishing sources that generate more revenue for the county. These typically include either property taxes or Transient Occupancy Taxes (bed tax).

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



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

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



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

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

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

Cynics might shrug and suggest PG&E has plenty of money, so who cares? Invite them to review the recent case of the Phillips 66 refinery in south SLO County. They needed a simple railroad spur to facilitate the transportation of crude oil into their plant. Again, Gibson was on the side of making business difficult for Phillips 66. They shut the plant. Eliminated over 150 well-paying jobs. With the plant no longer functioning, its taxable value dropped considerably. The ripple effect from the closure is still felt in that part of the county.

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

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

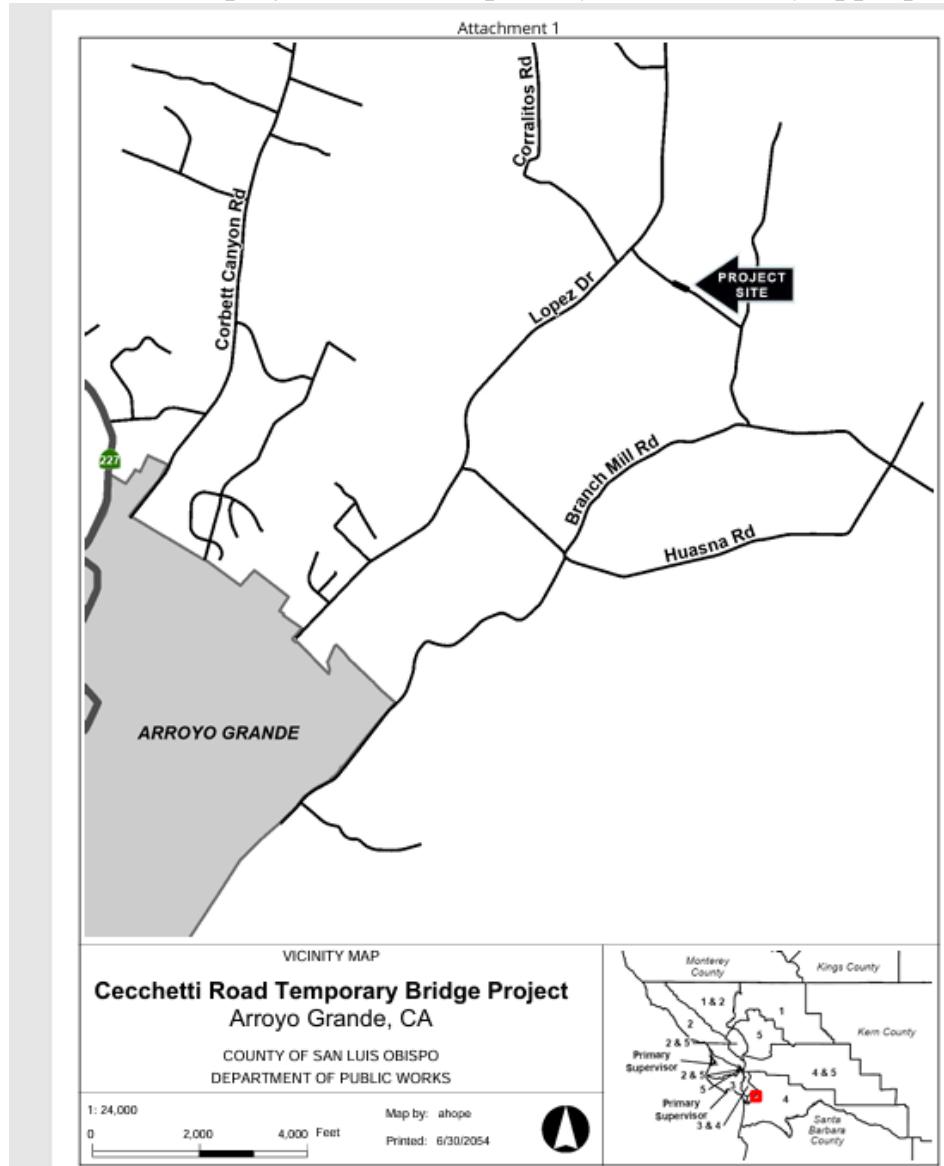
## **Cecchetti Crossing: Partial Explanation**

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

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

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

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



However, since the Cecchetti crossing was not even funded, it is highly unlikely that it was the next project down the list. Paulding, in a terse round of questioning of the Public Works Department, attempted to clear the air about this being anything out of the ordinary. He clarified that these were not funds taken from another project. But he did not address where these funds would normally go, nor did he mention any sort of standard procedure for the use of excess funds from completed projects.

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

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

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

## Silence From the No-Growthers

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

## More No-Growth

It was a rough week for property owners at the Board meeting. Details and regulations made life difficult for people trying to pursue housing projects. When people point out our housing challenges in SLO County, these types of cases should be discussed. Neither of the following land cases represented anything extraordinary, and both would have opened the process for new housing including low and very low-income projects. The mobile home issue is illustrative of how undesirable mobile home parks are becoming in terms of investment.

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

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

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

Another request was made by a property owner on the outside edge of Pismo Beach. In this case, the property owner requested authorization to process a General Plan Amendment so that they could develop a plan for housing, again, details such as water and concern expressed by owners of surrounding properties were enough to squash the request.

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

We have seen unmanageable hours of county staff time dedicated to fine tuning dozens of county building codes this year. Many of the updates were done to

conform with ever changing California building regulations, but some were not. This work was done as theoretical incentives to make home building easier and more attractive.

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

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

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

## Last Week

# What Happened to the Road Repair Funds?

A curious item is listed on the agenda for the November 18 Board of Supervisors. Item 2 on the agenda, apparently put on by Supervisor Paulding reads:  
Resubmittal of a bid opening report for the Cecchetti Temporary Bridge (Project) (Contract No. 310014) to 1) award the base bid for the subject

contract (Clerks File) to Souza Construction Company, Inc., the lowest responsive, responsible bidder, in the amount of \$475,998; 2) authorize the Director of Public Works or designee to approve construction contract change orders, if needed, in a cumulative amount not to exceed \$47,600 for a total contract value of up to \$523,598; 3) authorize a budget adjustment for FC 245 – Public Works - Roads (WBS 310014) by \$656,000, consisting of \$250,000 from FC 24503 (WBS 300711) and \$406,000 from FC 24503 (WBS 300691). (Public Works)

Regular readers will recall that we have covered this subject previously. Most recently, at Paulding's request, the Board considered appropriating a large sum of unbudgeted funds to build a temporary crossing at the Cecchetti crossing. Since the funds were new expenditures, a 4/5 vote was required.

Supervisors Peschong and Moreno expressed concern that the temporary crossing would only be in place for as little as eight months over the two-year interim (before the permanent crossing will be built) and felt that the total cost was too high for such a project. The request for additional funding did not pass.

Now, it seems, Paulding has “found” extra money in a road fund and is seeking to use it for the Cecchetti project. Below is a graph illustrating the funding mechanism proposed by Paulding:

<b>Project Cost Estimate</b> Cecchetti Temporary Bridge Project WBS 310014			
<b>Expenditures</b>	<b>Total Budget</b>	<b>Total Estimate</b>	<b>Variance</b>
Cecchetti Temporary Bridge - Base Bid Only	0	656,000	656,000
<b>Total Expenditures</b>	<b>0</b>	<b>656,000</b>	<b>656,000</b>
<b>Funding Sources</b>			
<b>Additional Funding</b>			
SB1090 Proceeds – Infrastructure Designation	0	250,000	250,000
(300711) Road Fund from (300691)	0	406,000	406,000
<b>Total Funding</b>	<b>0</b>	<b>656,000</b>	<b>656,000</b>
When the initial \$250,000 was approved in June 2025, a project number for the temporary bridge had not yet been established. Consequently, the funds were temporarily budgeted within the Cecchetti Permanent Bridge Repair Project (WBS 300711) as a placeholder.			

Perhaps Paulding is to be congratulated for his dedication to constituent service. We wonder, however, whose constituents won't be getting that \$406,000 worth of road repair? Further, with a projected \$11 million budget shortfall on the horizon, is this a wise investment? So much for all that business about the greater good....

## Airport Parking Joys Coming Soon

Speaking of budget items and 4/5<sup>th</sup> votes, Item 5 on the November 18 BoS agenda calls for a Request to 1) approve a capital improvement project for Fund Center (FC) 425 – Airports to design and construct Aero and Broad Parking Lots at SLO County Airport (SBP) (WBS 330055); and 2) authorize a corresponding budget adjustment in the amount of \$960,000 in capital outlay from Airport Enterprise Funds, by 4/5 vote.

We wonder if this might be a Paso-esque type of project where some bureaucrats think there is a fortune to be made by charging big bucks for parking – only ending up irritating everybody while actually losing money.



Parking lots are surprisingly expensive to maintain. There is constant need for cleaning and repairs, along with utility bills, monitoring and security and of course the payment collection system, upkeep and management. Least we forget, there is also staff management and oversight – along with the benefits and pension that is included... Will there be a (expensive) shuttle?

These points are not an indictment of the project. It may be that the project will be very popular with travelers who will find it to be convenient and reasonable. Or it may be the side lot to push everybody to while a fancy multi story LAX style super expensive lot is constructed in the airport loop.

As the City of Paso Robles recently discovered, there are plenty of companies who will sell a municipality on a plan to charge parking fees with promises (fingers crossed) of new high revenue sources. In the end, those companies make big bucks on management fees, and the municipality ends up with little revenue but plenty of angry constituents. What is being done to avoid such a disaster here?

Everybody loves the San Luis Obispo airport for its small-town atmosphere and simplicity. The airport itself even makes the point in its own advertising. Big complicated and overly expensive parking structures don't exactly fit in that picture. And by the way, for social engineering planners, travelers do not take mass transit buses to the airport. Do not rationalize and dream of "incentivizing" travelers (with their small children, elderly passengers and far too much luggage) to take a bus to the airport in order to save money from exorbitant parking fees.

For a small county with a small airport and a big budget problem, we hope that the financial planning of airport parking is sound and wise. The travelling public needs to know the details of how parking will work, how much it will cost and how it will hopefully be a good deal for the County of San Luis Obispo.

## **Tax Worries Fixed**

With two sales tax measures being prepared for SLO County voters, inquiring minds are wondering what the passage of those taxes could mean for our total sales tax cost. It may not be well known, but California law caps local sales taxes at 2% above the base rate.

Our Base Rate is 7.250%, but Atascadero, Grover Beach, Morro Bay, Paso Robles, Pismo Beach and the city of San Luis Obispo all have additional sales tax measures that bring their rates up to 8.50% and Arroyo Grande is at 8.75%.

With San Luis Obispo County of Governments preparing a sales tax measure for the November Ballot that would focus on Transportation, and the SLO County Board of Supervisors attempting to put one on the June ballot for public safety, the total amount of sales tax that we could end up with might exceed the base plus 2% rule. We know that the goal of the public safety measure will be a full penny. We expect the transportation tax to be half-cent, but official language has yet to be released.

Concerned taxpayers may be wondering if we would be getting close, or perhaps exceeding the 2% limit should these taxes pass. Enter Senator John Laird, along with his colleagues Senator Monique Lemon and Assemblymember Dawn Addis. Together, they sponsored SB 333 to take the worry out of any such problem.

SB. 333 authorizes the San Luis Obispo Council of Governments, by an ordinance adopted by the council, to levy a tax pursuant to the Transactions and Use Tax Law at a rate not to exceed 1%, for general and special purposes, subject to voter approval on or after January 1, 2026. The bill would authorize the board to exceed the 2% limit described above to impose the retail transactions and use tax. It was signed into law last month.

So, fear not, should San Luis Obispo County voters choose to do so, sales taxes can go up, up up....

## **Boo Hoo to Public Safety**

Get ready for the hand wringers and pearl graspers. The San Luis Obispo Sheriff's office will be submitting its annual Military Equipment list to the BoS on Tuesday as required by state law.

On September 30, 2021, the Governor approved Assembly Bill 481 (AB 481). AB 481 requires law enforcement agencies to obtain approval from the applicable governing body (the Board of Supervisors) for the funding, acquisition, and use of military equipment. Under California Government Code section 7070, subsections (c)(1) through (c)(16), any defined items are categorized as military equipment. Additionally, AB 481 mandates approval for the continued use of military equipment acquired prior to January 1, 2022. The Board of Supervisors must annually review the ordinance to ensure compliance with specific standards. Moreover, law enforcement agencies must create a military equipment use policy, publish it on their website, and provide a copy to the Governor.



The items on the 42-page list range from drones, bullet proof vests and night vision goggles to specific forms of armament. They are all used to protect public safety and the safety of law enforcement personnel.

Nonetheless, the publication of the list seems to bring out plenty of folks worried that the equipment doesn't give criminals a fair chance. Many are especially concerned that the equipment will be used against migrants that are not legally in the United States.

Don't be surprised if Immigration and Customs Enforcement haters show up demanding that the Sheriff protect violent criminals who are not in our country legally. Moreover, do not expect ICE haters to even acknowledge the victims of such criminals or express any concern for their wellbeing.

Such drama means that Sheriff Parkinson needs to take the better part of a day to sit in the Board chambers until this item comes up. He then needs to present the same explanations and assurances that he does every year to set the record straight about the need for such equipment and its uses.

At least we can all sleep well knowing that our Sheriffs are well equipped, well trained and well managed so that should an unfortunate incident occur, there will be an appropriate response.

## **Potential for Another No-Growth Gripe Session**

With the final vote for the Dana Reserve slated for the November 18 BoS meeting, some are wondering if we will hear another stammering word salad gripe session from Supervisor Gibson as he attempts to bully his no growth attitude onto his colleagues.

Is it even remotely possible that Supervisor Paulding could recognize his earlier blunder and switch to a yes vote? He does like to be all things to all voters! We don't really expect anything to change, but neither Supervisor likes to be on the losing side, so skullduggery shouldn't be surprising.

## **Save Prop 13**

As one of the most impactful and important ballot measures in California's history, Proposition 13 has not just saved taxpayers billions of dollars, it has saved countless homeowners from being forced to sell due to ever increasing tax bills.

Almost as important, Prop 13 has curtailed the tax and spend politicians who think government is the answer to everything and spending other people's money is a fine way to solve problems. These types make themselves look good by generously handing out taxpayer dollars and acting as if they are opening their own wallets.

It's no surprise that these wannabe Santa Clauses are doing everything they can to undo Prop 13. The measure has held up remarkably well, but fans of big

government have chipped away at it with small but expensive revisions such as the simple majority vote requirements for local general tax increases.

The Howard Jarvis Taxpayers Association has undertaken an effort to put a “Save Prop 13” measure on the ballot that will restore all of the taxpayer protections that the original Prop 13 measure encompassed. Petitions are now available and are simple to use. Simply go to [SaveProp13.com](http://SaveProp13.com) and download the convenient form, sign it and drop it in the mail.



The story of Prop 13 needs to be remembered. Howard Jarvis was a Los Angeles based apartment building owner and Paul Gann was a Sacramento car salesman. Both had fought for tax limitations individually before joining forces for the 1978 ballot measure that became Prop 13. It was truly a volunteer effort and ended up passing with a nearly 2-1 margin. Neither was a professional politician, a consultant or worked in a profession that made money from promoting the measure. Since its passage, Prop 13 has withstood numerous lawsuits and legislative attempts to overturn it, or aspects of it.



Howard Jarvis and Paul Gann are modern day heros.

We are very fortunate that Jarvis and Gann came along at the right time, with the right message to inspire the thousands of volunteers that went to work getting petitions signed. Homeowners can plan and budget for property taxes knowing they won't be displaced if some big spender forces a property tax increase. Renters can relax knowing their landlord's taxes won't be climbing beyond reason. All taxpayers can celebrate that their elected officials are constrained by common sense.

In these days of ballot measures being big business for campaign consultants, complete with millions of dollars for paid signature gathering, social media and deceptive advertising, it's nice to know that a true grassroots campaign changed everything for California. Save Prop 13 is attempting to do the same and will preserve all the aspects of Prop 13 for many future generations.

We encourage you to visit [SaveProp13.com](http://SaveProp13.com) and take a couple minutes to sign the petition and put it in the mail. Be sure to print out a couple extra petitions for friends and family.

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**BREAKING: State of California and DCCC  
Trying to Change Rules Already Agreed to  
in Prop 50 Lawsuit**

*'Justice delayed is justice denied'*

By Katy Grimes, November 20, 2025

California Governor Gavin Newsom unconstitutionally overturned the voter-approved California Redistricting Commission with Proposition 50, which was just passed by voters. That is bad enough, but the new congressional district maps were drawn based on racial lines, a recent lawsuit alleges.

The Dhillon Law Group, Assemblyman David Tangipa, 18 California Voters, and the California Republican Party announced Wednesday November 5, 2025 that they filed a Federal lawsuit challenging Prop. 50, alleging it unconstitutionally racially gerrymanders districts in violation of the Fourteenth and Fifteenth Amendments.

The bottom line: “When a state unlawfully engages in racial gerrymandering, it also violates the Fifteenth Amendment, which provides that the right of citizens to vote cannot be denied or abridged on account of race or color,” the lawsuit says.

Attorney Mark Meuser, Constitutional and Election Law Attorney with Dhillon Law Group, tells us that as of today, the state of California and the DCCC are trying to change the rules already agreed upon in order to delay a hearing on this case until January 20, well after the December date those running for Congress will know what district they are running in.

“8 days after Plaintiffs filed their complaint in which they allege that Prop 50’s map is an unconstitutional racial gerrymander, the state of California, Democratic Congressional Campaign Committee (DCCC), along with plaintiffs entered into a stipulation for a briefing schedule,” Meuser told the Globe. “Plaintiffs have asked the Court for an order by December 5 so that those running for Congress know what district they are running in. December 19 is the first day candidates for Congress can gather signatures in lieu of a filing fee. In light of the joint stipulation, the Court has told the state of California and the DCCC to file their opposition to our motion for a preliminary injunction by tomorrow (Nov. 21) and the hearing on our motion for preliminary injunction (i.e. which set of maps will control the 2026 election – the 2021 commission map or Prop. 50’s map) has been scheduled for Dec. 3.”

“Now, 2 days before their opposition to the motion is due, the state of California and the DCCC are trying to change the rules that they already agreed to. They want to delay a hearing on this case until January 20,” Meuser said.

“Justice delayed is justice denied. It is clear with this filing last night that the state of California and the DCCC are trying to run out the clock on justice. By running out the clock, the state of California and the DCCC hope that the Court will just rule that it is too late and that the Prop 50 maps (even if they are an unconstitutional gerrymander) must control for the 2026 election cycle. Plaintiffs’ attorneys at the Dhillon Law Group are zealously pursuing this case in an expedited matter to ensure that the Courts have plenty of time to issue a decision on the important underlying issue of whether Prop 50’s map is an unconstitutional racial gerrymander thus requiring that the 2021 Commission maps remain in effect for the 2026 election cycle.”

As the *Globe* reported, the lawsuit says:

“The California Legislature issued a press release announcing that Proposition 50 creates two new districts to “empower Latino voters to elect their candidates of choice,” adding them to the pre-existing fourteen such districts. The Legislature characterized these sixteen districts as “Voting Rights Act districts,” meaning districts that are specifically designed to favor one race or ethnicity of voters. The consultant who drew the lines also explained that the first thing that he did when drawing the Proposition 50 map was to add a “Latino District” that the Independent Citizens District had previously eliminated and that he altered the lines of a district to make it a “Latino-influenced district” by ensuring its voting age population was “35 percent Latino.”

The lawsuit states that because California’s Hispanic voters are well represented by Latino candidates to both state and federal office: “California’s Hispanic voters have successfully elected their preferred candidates to both state and federal office, without being thwarted by a racial majority voting as a bloc. This is unsurprising because Latinos are the most numerous demographic in the state and California voters nearly always vote based on their party affiliation, not their race.”

Read more about the [lawsuit here](#).

Will the court allow the State and DCCC to get away with these shenanigans? The *Globe* will follow up and report back.

# Report: California Faces \$18 Billion Budget Shortfall

*The nonpartisan California Legislative Analyst's Office (LAO) today released a grim fiscal outlook: '2026-2027 budget problem now larger than anticipated'*

By Megan Barth, November 19, 2025

The nonpartisan California Legislative Analyst's Office (LAO) today released a grim fiscal outlook for the 2026-2027 budget year (see below), warning "budget problem now larger than anticipated" with an \$18 billion shortfall. Their estimate is \$5 billion more than what was projected by Governor Gavin Newsom's administration predicted in June.

Appendix Figure 2

**General Fund Spending by Agency Through 2029-30**  
(Dollars in Billions)

Agency	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	Average Annual Growth <sup>a</sup>
Legislative, Executive	\$7.6	\$5.1	\$2.6	\$1.6	\$0.0	\$0.0	-5.5%
Courts	3.2	3.3	3.4	3.6	3.7	3.8	4.2
Business, Consumer Services, and Housing	9.7	0.7	1.0	0.6	0.6	0.6	-16.8
Transportation	0.3	0.2	—	—	—	—	—
Natural Resources	7.6	2.7	2.6	3.4	3.6	4.0	10.8
Environmental Protection	0.6	0.1	0.1	0.1	0.1	0.1	0.1
Health and Human Services	70.2	66.6	69.6	70.8	104.6	106.9	6.9
Corrections and Rehabilitation	12.0	13.3	13.1	13.0	12.9	13.0	-0.1
Education	19.9	19.3	21.6	23.5	24.3	25.3	5.3
Labor and Workforce Development	1.1	1.0	0.9	1.0	1.0	1.0	1.0
Government Operations	3.5	2.6	3.5	3.2	3.9	3.8	2.4
General Government							
Non-Agency Departments	2.4	1.3	1.1	1.7	1.1	1.1	-0.7
Tax Payer/Local Government	0.7	0.8	0.8	0.7	0.7	0.7	-0.3
Statewide Expenditures	1.1	4.4	4.4	6.3	7.6	8.4	20.7
Capital Outlay	0.8	0.7	0.2	0.3	0.2	0.2	-10.6
Debt Service	5.5	5.5	5.9	5.9	5.9	5.9	0.0
Non-GB Spending Total	\$142.8	\$147.9	\$153.6	\$166.6	\$173.1	\$179.3	5.4%
Proposition 98 <sup>b</sup>	\$202.5	\$214.3	\$222.1	\$225.8	\$230.2	\$237.7	3.0%
Total Forecasted Spending	\$354.3	\$362.2	\$375.7	\$392.4	\$403.3	\$417.0	5.0%

<sup>a</sup> Reflects General Fund component of the Proposition 98 guarantee.

<sup>b</sup> From 2025-26 to 2029-30.

Budget Analysis (Screenshot of LAO report)

In June, the *Globe* reported that adding an approximate 2 million illegal aliens to Medi-Cal added billions of dollars to the budget. Despite Governor Newsom rolling back the program, those undocumented enrollees will remain on the taxpayer funded entitlement program, for a mere \$30/month. The Health and Human Services budget line item illustrates a six percentage annualized growth.

Governor Gavin Newsom reached a \$321.1 billion budget agreement with the state legislature late on Tuesday, with large cuts of Medi-Cal that will result in the freezing of new illegal immigrant applicants from being accepted.

While both the Governor and Legislature made significant cuts from other versions from earlier in the year, there is still a \$12 billion budget deficit following the agreement. Many planned deep cuts were undone in the leadup to the final budget this week, including maintaining cost-of-living increases for child-care workers and undoing planned reductions to in-home caregiver hours. In fact, some areas actually saw significant budget increases, like an additional \$500 million in homeless grants being pushed through.

While Medi-Cal was expanded to cover undocumented children in 2015 and undocumented seniors 50 and older in 2022, the governor expanded the program to cover all illegal immigrants last year ballooned the cost of Medi-Cal for all illegal immigrants under the program to \$9.5 billion. The state received more than the intended number of recipients, causing a \$6.2 billion deficit to open up.

In less than a year after expanding the program, Medi-Cal costs to the state shot up by \$2.7 billion, as illegal immigrants were easily accepted and many did not contribute with taxes or by other means. As a result, Newsom was forced to sign a bill in April that paid off a \$2.8 billion budgetary shortfall for Medi-Cal, allowing it to run through the end of the fiscal year at the end of June.

The \$2.7 billion was only a stopgap however, with the real challenge coming with the revised 2025-2026 budget. The huge deficit forced his hand, and in May Newsom said that he would halt any more illegal immigrants from enrolling into the program starting in 2026. Those already in the program will not be kicked out. That \$12 billion deficit has now ballooned to almost \$18 billion.

“Under our revenue and spending estimates, the Legislature faces an almost \$18 billion budget problem in 2026-27. This is about \$5 billion larger than the budget problem anticipated by the administration in June, despite improvements in revenue. This is because constitutional spending requirements under Proposition 98 (1988)

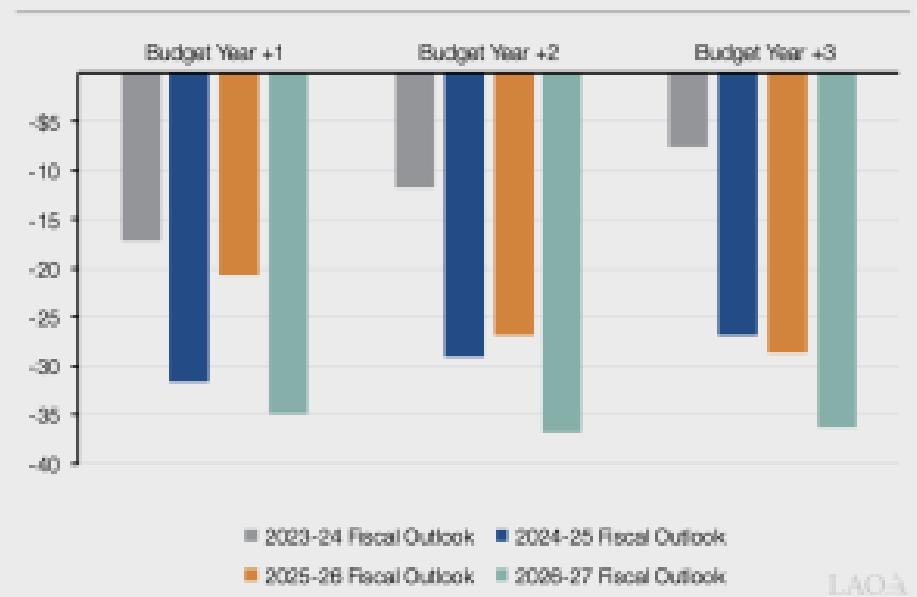
and Proposition 2 (2014) almost entirely offset revenue gains. Moreover, we estimate costs in other programs to be about \$6 billion higher than anticipated. Starting in 2027-28, we estimate structural deficits to grow to about \$35 billion annually due to spending growth continuing to outstrip revenue growth,” the LAO reports.

Looking towards 2029 doesn’t look any better as “Budget Problems Now Moving in the Wrong Direction” with a projected deficit skyrocketing to \$35 billion annually in the 2027-2028 budget year.

Figure 6

### Budget Problems Now Moving in the Wrong Direction

(Dollars in Billions)



LAO budget estimates (Screenshot)

The LAO recommends the Legislature to address the budget problem through a combination of ongoing solutions—namely, achievable spending reductions and/or revenue increases.

“There are three reasons these actions are now critical. First, the budget problem is now larger than anticipated, despite improvements in revenue, and the structural deficits are significant and growing. Second, while our revenue estimates hedge against a market downturn, they do not reflect the revenue declines the state would experience in a recession. Third, the state has used most of its budget resiliency

tools to address prior deficits. If our estimates hold, the Legislature will face a fourth consecutive year of budget problems—all during a period of overall revenue growth. As it stands—with larger forecasted deficits and many fewer tools available to address them—California’s budget is undeniably less prepared for downturns,” the LAO advises.

Although California has \$14 billion in reserves, the state has used over \$20 billion in borrowing for previous shortfalls and “temporary spending solutions are exhausted,” according to the report.

“As it stands—with larger forecasted deficits and many fewer tools available to address them—California’s budget is undeniably less prepared for downturns,” the report predicts.

## Reality Caught Up to ‘Climate Change

November 17, 2025

Victor Davis Hanson  
*American Greatness*

For decades, the monolithic and sacrosanct international climate change hierarchy went unquestioned.

Western nations in particular spent trillions of dollars over the past half-century to subsidize expensive but erratic wind and solar energy while demonizing carbon fuels as toxic threats to the planet.

Like Diversity, Equity, and Inclusion dogma, climate change orthodoxy was embedded into every aspect of Western culture, from the corporate boardroom to the university campus.

Question whether man-made global warming was truly responsible for increased temperatures rather than natural, often centuries-long cycles of heating and cooling of the planet, and one was labeled a climate crank.

Everything from declining fertility to forest fires was ridiculously attributed to climate change.

But the causes of both demographic crises and charred landscapes were more likely the result of new affluent lifestyles that saw child-rearing as too expensive and time-consuming, and misguided forest policies or underfunded firefighting.

Yet reality has caught up with the near-religious climate change cult.

One, the left-wing tech billionaires—exemplified by former climate change zealot Bill Gates—have become apostates of the green movement. Now they do not warn of a planet threatened by too much man-made heat but rather by too little man-made kilowattage.

They believe artificial intelligence will prove as transformative as the Industrial Revolution. But to win the AI revolution will require vast increases in electricity production, of up to a staggering 100 gigawatts a year of additional capacity.

Such enormous demand—to build the equivalent of a hundred huge power plants per year—is far beyond the ability of “renewables” alone.

Instead, the only solution is an “all of the above” strategy of building more nuclear, natural gas, clean-coal, wind, and solar generation plants.

Two, ascendant China’s massive arms buildup and its bullying Belt and Road imperialism have finally put international “climate accords” into question.

Even the environmentalist King Carl XVI Gustaf of Sweden has recently let it slip that he is troubled by why Europe sandbagged its own economy by shutting down its formerly efficient nuclear and fossil fuel plants. He reminded the world that the European Union nations contribute only six percent of the planet’s carbon emissions.

The West finally realizes that a cynical China has been playing it for years by funding green propaganda abroad.

Indeed, Beijing guilt-tripped Europe and the U.S. on global warming while it exported billions of dollars of cheap wind and solar generation products—often below its own cost of production.

Meanwhile, China plows ahead, building two to three coal and nuclear generation plants per month.

Under the propagandistic banner of “climate change,” China hopes that its Western competitors invest in inefficient and high-priced renewable energy. Meanwhile, its own expanding fossil fuel and nuclear industries ensure it will enjoy global price advantages in both trade and armament.

Three, the global climate crisis shakedown has become shameless. Formerly third-world nations now demand from the West hundreds of billions of dollars in “climate reparations” for carbon emissions released decades ago.

Yes, the West burned more oil and gas. But it also provided the rest of the world with carbon-fueled cars, factories, and modern consumer goods.

Green critics fail to concede that almost all global technology and modern industrial products come from either the West or westernizing copycats.

Four, energy production is at the nexus of conflict and can mean life or death for nations. To the degree the United States and its allies produce lots of natural gas and oil, they can protect the West from crippling embargoes and cutoffs from anti-Western energy producers.

During the Ukraine War, America exported liquefied natural gas to Europe, not solar panels or turbine blades. And it will be increasingly essential to keep Europe afloat as Russia turns off its export spigot.

When oil and natural gas are affordable, thanks to the fossil fuel production of Western nations, then illiberal and bellicose oil-exporting countries like Iran and

Russia have less money to spend on aggressive wars or subsidizing their global terrorists.

Five, science is not fossilized in amber but dynamic and changing.

Increasingly, climatologists are no longer afraid of being bullied by global green scolds.

They point out that while accurate temperature recording is only a couple of centuries old, the planet has been here for over 4 billion years. And it reveals plenty of evidence of natural climate volatility.

Extreme heat and cold spells lasted in nature for centuries—and did so long before humans appeared, little more than 300,000 years ago.

So, the public is sick of pseudoscientific activists peddling their doom-and-gloom wares for their own particular and profitable agendas.

Elite green gurus often buy seaside estates while warning of devastating tidal waves to come. They fly in carbon-spewing private jets while ordering the poor to turn down their air conditioners.

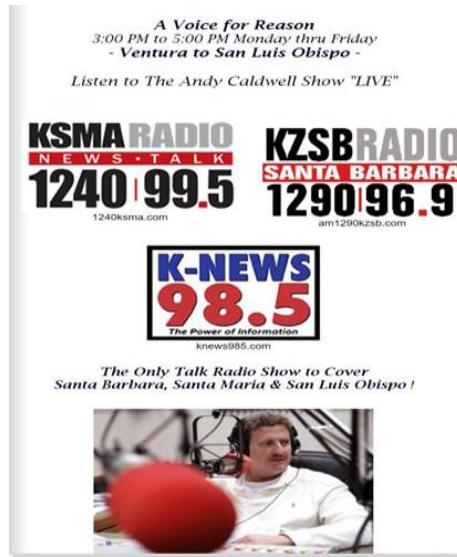
In sum, carbon is dead, long live carbon!

###

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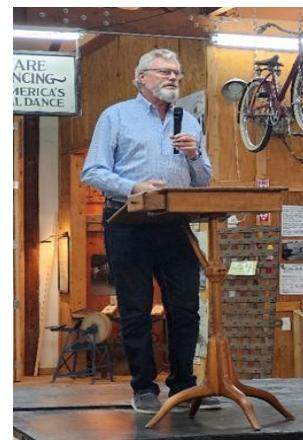
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**EXPERTS DISCUSS ENERGY ISSUES AT THE FALL FORUM**



**BOARD MEMBER BEN HIGGINS WITH SUPERVISORS ARNOLD**



**COLAB EXECUTIVE DIRECTOR GREG HASKIN**

KEEP HANDY \* CONTACT YOUR ELECTEDS

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Email: [colabslo@gmail.com](mailto:colabslo@gmail.com) / Website: [colabslo.org](http://colabslo.org)

### MEMBERSHIP APPLICATION

#### MEMBERSHIP OPTIONS:

General Member: \$100 - \$249  \$ \_\_\_\_\_ Voting Member: \$250 - \$5,000  \$ \_\_\_\_\_

Sustaining Member: \$5,000 +  \$ \_\_\_\_\_

*(Sustaining Membership includes a table of 10 at the Annual Fundraiser Dinner)*

General members will receive all COLAB updates and newsletters. Voting privileges are limited to Voting Members and Sustainable Members with one vote per membership.

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Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

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For those who choose not to join as a member but would like to support COLAB via a contribution/donation. I would like to contribute \$ \_\_\_\_\_ to COLAB and my check or credit card information is enclosed/provided.

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Confidential Donation/Contribution/Membership

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