COLAB San Luis Obispo County

The Coalition of Labor Agriculture and Business

WEEKLY UPDATE
March 16 - 22, 2025

COLAB San Luis Obispo County

16TH ANNUAL

DINNER & FUNDRAISER

THURSDAY, MARCH 27, 2025
MADONNA INN EXPO CENTER

A NEW ERA IN GOVERNMENT

Enjoy a bipartisan dialogue on the opportunities and challenges faced by the County and State as the current revolution in Washington progresses. How can the County and Cities take advantage at the local level by tailoring initiatives and changes to the best interests of our local circumstances and issues? Two of our collaborative and experienced local elected officials will form an enlightening exploratory panel.

Dawn Ortiz-Legg, Board Chair & District 3 Supervisor

Heather Moreno, District 5 Supervisor

5:00 PM SOCIAL HOUR & OPEN BAR
6:15 PM FILET MIGNON DINNER & WINE

AUCTION WILL BE HELD AFTER DINNER
(AUCTIONEER TODD VENTURA)

$165/ PERSON
$1,650/ TABLE (SEATS 10)

For tickets:
Mail your check to: COLAB SLO County, PO Box 13601, SLO, CA 93406
or
On-Line Reservations & Payment can be made at www.colabslo.org/events.asp
Cocktail Attire Optional **- More info at (805) 548-0340 or colabslo@gmail.com**

THIS WEEK'S HIGHLIGHTS
SEE PAGE 5

NO BOARD OF SUPERVISORS MEETING

CENTRAL COAST COMMUNITY ENERGY

3CE SWITCHES 75,000 CUSTOMERS FROM PG&E
ALL OF UNINCORPORATED COUNTY AND ATASCADERO GRABBED

3CE'S COST PER KILOWATT RATES FOR BASIC RESIDENTIAL WILL BE ABOUT THE SAME AS PG&E

PERILS OF POWER CHARGE INDIFFERENCE ADJUSTMENT (PICA) – STRANDED COSTS IMPACT 3CE RATES

3CE LOST MONEY IN FY 2023-24
RATES TO GO UP APRIL 1ST

3CE HAVING PROBLEMS ACQUIRING ENERGY
BEHIND ON GREEN ENERGY

LOCAL AGENCY FORMATION COMMISSION

SUED BY DANA RESERVE PROJECT OPPONENTS
PLAINTIFFS ASSERT CEQA VIOLATIONS

LAST WEEK
SEE PAGE 11

BOARD OF SUPERVISORS MEETING

NACIMIENTO WATER PIPELINE INTERIM FIX
BUT WILL IT WORK? - CORROSION PROBLEMS

FY 2024-25 SECOND QUARTER FINANCIAL STATUS REPORT
A FEW NAGGING ISSUES

FY 2029-30 CAPITAL IMPROVEMENT PLAN (CIP)
LOTS OF DETAIL - BIG PICTURE MISSING

LOS OSOS SUSTAINABILITY GROUP KEEPS HARRASSING APPLICANTS

SUPERVISOR REPORTS AND QUESTIONS

PLANNING COMMISSION CANCELLED AGAIN

NO DEVELOPMENT?

CALIFORNIA COASTAL COMMISSION

LOS OSOS SUSTAINABILITY GROUP ATTACKS MORE PROJECTS, LOSES APPEAL

EMERGENT ISSUES
SEE PAGE 22

TRUMP AND CALIFORNIA ARE SET TO DUKE IT OUT OVER ENVIRONMENTAL POLICY, AGAIN

DESALINATION AT SCALE IS COST COMPETITIVE
Around the world desalination is transforming economies and improving quality of life

CALIFORNIA VOTER ID BALLOT INITIATIVE ANNOUNCED FOR 2026 BALLOT

Thirty-six states in the U.S. have implemented some form of voter identification requirement

COLAB IN DEPTH

SEE PAGE 28

SCHEDULE F WON'T TAME THE DEEP STATE[1]

THERE IS NO MAGIC BUTTON. TRUMP WOULD HAVE TO GO FURTHER THAN EVEN ALLIES ASSUME

BY THEO WOLD

SPONSORS

[1] Schedule F is a job classification for appointments in the excepted service of the United States federal civil service for permanent policy-related positions.

THIS WEEK'S HIGHLIGHTS

No Board of Supervisors Meeting on Tuesday, March 18, 2025 (Not Scheduled)

Central Coast Community Energy Authority Policy Board Meeting of Wednesday, March 19, 2025 (Scheduled)

In general: 3CE's slight energy cost per kilowatt hour over PG&E is narrowing. For the first time, its costs are growing faster that its revenues. It is also piling up uncollectable accounts receivable.

Separately, the government agency involuntarily added more than 74,000 customers in the City Atascadero and the unincorporated SLO County. A number of these have elected to opt out.

See the graphics on the next 2 pages for details:

3CE Enrollment

Atascadero and Unincorporated San Luis Obispo County

Engagement:

- Three of the four enrollment mailers for customers in the City of Atascadero and unincorporated San Luis Obispo County were delivered to USPS mailboxes and email inboxes beginning Saturday, November 2. The fourth and final notification is scheduled for distribution during the first week of March.
- Staff has conducted monthly meetings with representatives from the City of Atascadero and the County of San Luis Obispo to provide updates on the enrollment process.
- Additionally, staff has engaged with large commercial accounts and community groups in the enrollment areas to address questions and promote available rebate programs.
- On February 18, 3CE hosted a reception at the Atascadero City Hall Council Chambers, where representatives from the City and 3CE discussed the benefits of community choice aggregation for both customers and the broader community.

Customer Retention and Opt-Outs (11/1/24-2/26/24):

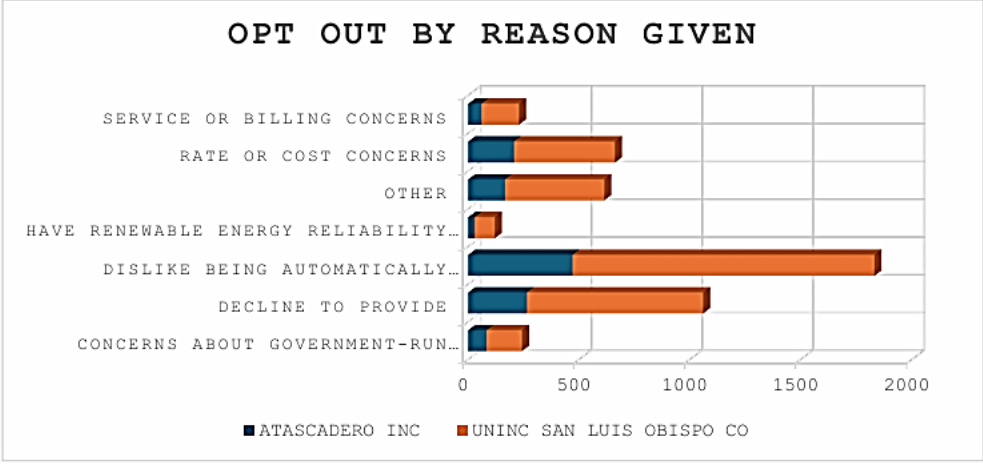
3CE's goal for enrollment in the City of Atascadero and unincorporated San Luis Obispo County is to retain 90% of eligible load.

In **Atascadero**, 14,051 customers are eligible for 3CE service. 1,281 customers opted out, including 1,180 residential customers and 100 commercial customers. The opt outs represent 8.9% of eligible accounts, meaning that 91.1% of customers elected to stay with 3CE. The current enrolled eligible load is 91.6%.

In unincorporated **San Luis Obispo County**, 60,842 customers are eligible for 3CE service. 3,465 customers opted out, including 3,101 residential accounts, 232 commercial, and 132 agricultural accounts. The opt-outs represent 5.7% of eligible accounts, meaning that 94.3% of customers elected to stay with 3CE. The current enrolled eligible load is 97.5%.

Below is a breakdown of opt-outs in the City of Atascadero and Unincorporated San Luis Obispo County following 3CE's third enrollment notification mailer. Opt-outs coinciding with customer notifications about automatic enrollment are expected as part of the Community Choice Aggregation model of automatic enrollment. Staff expects to effectively retain 90-94% of customers in the enrolled areas.

Reasons for Opting Out (11/1/24-2/26/2025):



Summary of Customer Retention and Opt-Outs to Date

3CE's goal for enrollment in the City of Atascadero and unincorporated San Luis Obispo County is to retain 90% eligible load.

- In Atascadero, opt-outs to date represent 8.9 % of eligible accounts, with 91.1% of customers electing to stay with 3CE and retaining 91.6% of eligible load.
- In unincorporated San Luis Obispo County, opt-outs to date represent 5.7% of eligible accounts, with 94.3% of customers electing to stay with 3CE and retaining 97.5% of eligible load.

Consistent with past enrollments, 3CE's customer service center received higher than average call volume following the enrollment mailers. Most customers who elected to opt-out did so because they disliked being automatically enrolled.

Overall, this data indicates that 3CE is on track to meet its goal of retaining 90% of eligible load in both the City of Atascadero and unincorporated San Luis Obispo County.

Item 10 - Receive a presentation on the Power Charge Indifference Adjustment (PICA) and provide staff direction. The report states in part:

Initially conceived in 2001, the PCIA was designed to prevent cost shifts between Investor-Owned Utility (IOU) customers and Direct Access (DA) customers.1 With the growth of CCAs across the state since 2010, it also now applies to customers who depart IOU service for a CCA electric generation provider.

California Public Utilities Code Section 365.1 mandates that utilities not be penalized for the departure of customers to other providers (unbundled customers) and calls upon the California Public Utilities Commission (CPUC) to establish a mechanism to ensure that the customers remaining with Investor Owned Utilities (IOUs) for generation service (bundled customers) remain indifferent to such departures.2 The PCIA is the CPUC's response to this mandate, and is designed to ensure that customers who switch to a CCA or DA provider do not unfairly benefit by leaving bundled customers with a disproportionate share of the stranded costs resulting from their departure. The charge seeks to ensure that customers who leave IOUs for alternative generation providers still contribute to the costs of power procurement and other obligations

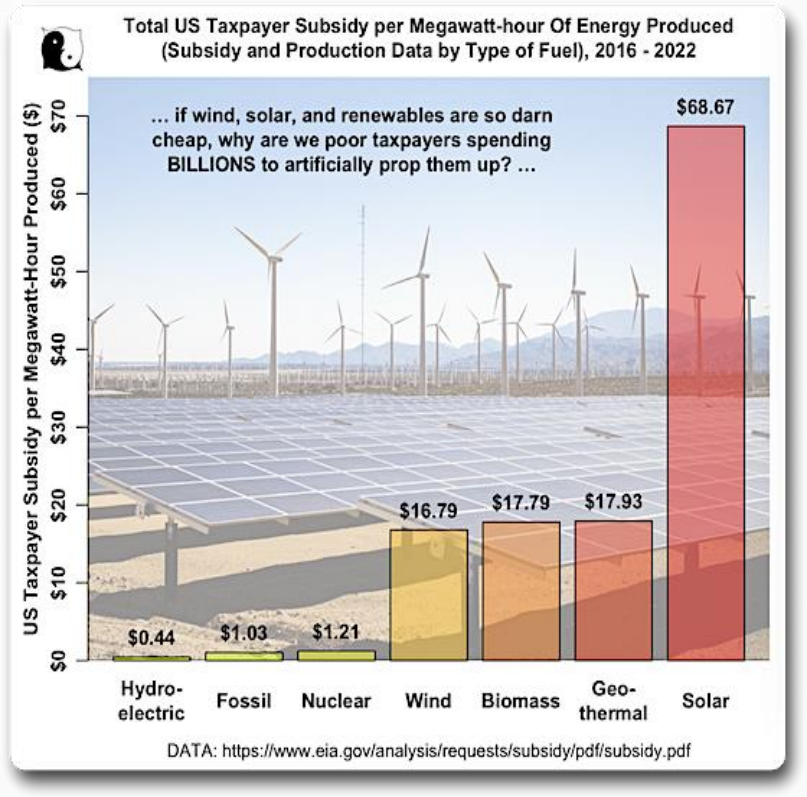
previously incurred by the utility on their behalf. Importantly, both bundled and unbundled customers pay a portion of the stranded costs associated with the PCIA.

Annually, the PCIA is set through the Energy Resources Recovery Account (ERRA) Forecast Proceeding, which determines IOU generation rates for the next calendar year. Applications filed by the IOUs are submitted every May, with Commission decisions scheduled for December and resulting rate changes effective January 1.

The methodology for PCIA calculation directly affects the competitive differential between IOUs and Community Choice Aggregation entities, such as 3CE. 3CE's generation rate reflects its cost to serve customers, including operations, portfolio construction, and risk management – factors within the agency's control. On the other hand, the PCIA, which is applied to 3CE customers' bills, reflects IOU legacy costs and is set by the CPUC. A high PCIA reduces CCA competitiveness, and a low or negative PCIA enhances CCA's competitive position.

3CE and the other CCAs are fighting the CPUC over proposed increases in the PICA, as those costs will increase CCA customers' bill. The costs are further eroding the already diminishing 3CE price advantage of PG&E.

Item 11 - Receive a presentation on 3CE's FY 2023-24 audited financial statements. The 3CE, with a $580 million operating budget, lost $36 million in FY 2023-24. The large reserves that it accumulated in its early years of operation cushioned the loss. Nevertheless, the staff is recommending a rate increase for April 1, 2025.



CENTRAL COAST COMMUNITY ENERGY
STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	2024	2023
OPERATING REVENUES		
Electricity sales, net	$ 544,358,419	$ 450,713,404
Liquidated damages	-	750,000
Other income	98,215	155,868
Total operating revenues	544,456,634	451,619,272
OPERATING EXPENSES		
Cost of electricity	547,248,240	398,746,769
Contract services	13,387,839	10,820,099
Staff compensation	7,830,528	6,200,592
Other operating expenses	1,695,758	1,869,295
Program incentives	10,248,121	8,484,775
Depreciation and amortization	585,758	418,568
Total operating expenses	580,996,244	426,540,098
Operating income (loss)	(36,539,610)	25,079,174
NONOPERATING REVENUES (EXPENSES)		
Investment income	12,893,661	8,184,122
Grant revenue	-	1,450,969
Interest and financing costs	(59,933)	(53,498)
Nonoperating revenues (expenses)	12,833,728	9,581,593
CHANGE IN NET POSITION	(23,705,882)	34,660,767
Net position at beginning of year	241,871,325	207,210,558
Net position at end of year	$ 218,165,443	$ 241,871,325

Note that 3CE made a profit of $25 million in FY 22 -23. Thus, the swing is $61 million from one fiscal year to the next. The cost of energy is rising. Also, there are delays in the construction of green energy projects and increases in cost of some of the green energy projects that 3CE had contracted with previously. As of the end of fiscal year 2024, these totaled more than $4.9 billion.

Year ending September 30,	
2025	$ 554,000,000
2026	329,000,000
2027	265,000,000
2028	248,000,000
2029	270,000,000
2030-2053	3,299,000,000
Total	$ 4,965,000,000

Two weeks ago the 3CE operations Board contracted with a company building a gas fired battery storage facility for another $750,000,000. This brings the total to $5,715,000,000. Member city

and county officials should ask 3CE for a breakdown on what portion of these long range contracts is atributable to their membership. Were they to determine to leave 3CE, what would they owe? If 3CE were to go out of business, what would they owe? Do 3CE contracts with these vendors contain specific lanaguage insulating the member jurisidictions from liability in the case of defualt? Should they be disclosing this long term obiligation on their comprehensive annual financial reports?

Item 12 - Adopt Resolution No. PB-2025-02 approving adjustments to the calendar year 2025 electric generation rates effective April 1, 2025. The 3CE staff is recommending a rate increase for April 1, 2025. The increase will make 3CE's basic residential generation rate almost equal to that of PG&E. As we forecasted, 3CE's initial advantage from coming into the market late, is diminishing over time. Another factor is the increase in the PICA (see **Item 10** above).

PG&E RATE

Tiered Rate Plan E-1*

Residential: E-1	PG&E	3Cchoice
Generation Rate ($/kWh)	$0.14744	$0.12400
PG&E Delivery Rate ($/kWh)	$0.28389	$0.28389
PG&E PCIA/FF ($/kWh)	$0.00906	$0.01064
Total Electricity Cost ($/kWh)	$0.44039	$0.41853
Average Monthly Bill ($)	**$171.23**	**$162.73**

Monthly usage: 389 kWh

3CE RATE AFTER April 1, 2025

ATTACHMENT A

3CE Single Territory Effective Generation Rates by Class

3CE Class	3CE Single Territory Effective Gen Rates April 1, 2025 ($/kWh)
Residential	$ 0.14646
Small Commercial	$ 0.13385
Medium Commercial	$ 0.13410
Large Commercial	$ 0.11732
Agricultural Sml/Med	$ 0.13092
Agricultural Large	$ 0.11988
Business Electric Vehicles	$ 0.14807
Standby	$ 0.09921
Lighting	$ 0.11761

There will be an infinitesimal difference. The other components as displayed in the PG&E table will be the same since 3CE has to wires, dams, transformer stations, or anything else. Thus 3CE customers pay for these components on top of the generation rate.

Local Agency Formation Commission (LAFCO) Meeting of Thursday, March 20, 2025 (Scheduled)

Closed Session Item B-1 - Conference with Legal Counsel: Pending Litigation Pursuant to California Government Code Section 54596.9(d)(1) Case: Nipomo Action Committee et al. v. San Luis Obispo LAFCO (San Luis Obispo Superior Court Case No. 24CV-0768). The opponents of the recently approved Dana Reserve planned community in Nipomo are suing LAFCO for approving annexation of the project into the Nipomo Community Service District for water and sewer service. These plaintiffs assert that the LAFCO ignored CEQA findings and thereby illegally approved the annexation.

The same plaintiffs have also sued SLO County for approving the project.

The Dana reserve project will provide 1435 of badly needed housing, plus commercial and recreational amenities.

LAST WEEK'S HIGHLIGHTS

Item 11 - Request to accept the eleventh update regarding, and conclude emergency contracting for, the emergency actions to repair the Nacimiento Water Pipeline at the Yerba Buena Creek crossing in accordance with Public Contract Code Section 20134 and 22050, by a 4/5 vote. The write-up stated that repairs are completed, "but the pipeline cannot be activated until after the rainy season and Salinas river flows go back down." Why is this? If the pipeline is repaired, shouldn't it function in all seasons?

The cause of the leak is a corrosive soil environment in this section. The narrative is not clear on how future corrosion will be prevented. Why wouldn't this be a continuing problem?

Emergency project costs approximately $1.2M. During the implementation of the repair, it became more complex than expected and took much longer than estimated. The increased time to complete the work, increased the cost for shoring and dewatering of the approximately 20-foot deep excavation site. It took additional time because there were challenges to 1) remove the pipe from the casing, and 2) design and Page 4 of 5 install a repair that would provide long-term reliability and withstand the corrosive nature of the ground beneath the creek.

Is the new casing in this segment resistant to the corrosion? Does the corrosive soil condition extend beyond this segment?

The report further stated:

The leak resulted in the extended shutdown of water supply deliveries to the City of San Luis Obispo and Santa Margarita Ranch. The City typically receives 5.3 million gallons per day from the NWP pipeline and uses this critical source to serve its 47,545 residents.

What is the impact of the long shutdown on the supplies for the City? Have they had to use other sources? Are there cost impacts and/or liability to the pipeline Joint Power Authority?

Attachment 1 - Vicinity Map

Submittal of the FY 2024-25 Second Quarter Financial Status Report and request to 1) approve various financial actions (one or more actions require 4/5 votes). At the end of the 2nd Quarter (December 31, 2024), the County appears on course to be able to manage several variances to end the fiscal year within its overall appropriation level. One problem is that while the County lists the revenue and expenditures to date, it does not forecast the next 6 months. The lay reader and policy makers must infer that the final outcome will be within legal and policy bounds.

At the Meeting: In a possible preview of the process that we will see in the forthcoming budget process, Supervisor Moreno inquired about a consent calendar item that dedicates SB 1090 (Diablo Canyon closing funding) to the Cal Poly Hot House program. Moreno's question was about the criteria used to make the grant and how other community organizations undertaking similar efforts might qualify for such funding.

For a first time in the process, the Board will review detailed budgets from each of the County Departments and will have the opportunity to look at individual line items. Hopefully, the new process will have an impact on reducing redundancies and "that's the way we have always done it" procedures. Estimates for needed budget cuts range from 10 to more than 50 million dollars. Cuts are required due to diminished federal and state funding cuts as well as increased costs of doing business for the County.

Comparative Statement of County Funds - Revenue Status
For the Six-Month Period Ended December 31, 2024 and 2023

Revenue Status by Class	FY 2024-25 Current Budget	FY 2024-25 Actual	% of Budgeted	FY 2023-24 Current Budget	FY 2023-24 Actual	% of Budgeted
Current Property Taxes	$190,441,201	$111,077,957	58.33%	$178,764,031	$106,297,644	59.46%
Other Taxes	$91,791,655	$19,250,171	20.97%	$89,917,712	$20,482,284	22.78%
Licenses, Permits, and Franchises	$15,904,306	$5,310,852	33.39%	$16,393,245	$5,876,277	35.85%
Fines, Forfeitures, and Penalties	$4,654,550	$1,951,323	41.92%	$4,610,008	$1,983,997	43.04%
Revenue from Use of Money & Property	$10,618,404	$4,314,780	40.63%	$8,221,473	$3,172,613	38.59%
Intergovernmental Revenue	$512,238,751	$134,034,942	26.17%	$486,371,091	$107,506,560	22.10%
Charges for Current Services	$37,053,318	$14,059,395	37.94%	$35,858,250	$13,356,381	37.25%
Other Revenues	$69,958,642	$8,952,716	12.80%	$29,965,601	$10,494,791	35.02%
Interfund	$26,226,032	$7,767,861	29.62%	$21,332,324	$6,647,416	31.16%
Other Financing Sources	$160,403,700	$23,641,634	14.74%	$163,778,088	$21,706,957	13.25%
Total Revenues:	**$1,119,290,559**	**$330,361,630**	**29.52%**	**$1,035,211,823**	**$297,524,920**	**28.74%**

That being said, there are several troubling variances that when combined with the projected $8 million to $13 million revenue/expenditure imbalance forecasted for FY 2025-26 Budget and other premium pay, could require tough decisions. These include:

Notable Issues and Updates	Potential Additional GF Impact
Public Protection	
FC 136 - Sheriff-Coroner **Issue:** Projecting to be $4.3 million over its budgeted level of General Fund support due to unbudgeted salaries and benefits including overtime and revenue shortfall.	$4.3 million

This one is created by a combination of factors, including the County not budgeting for potential contract labor negotiation increases. The Sheriff's office, like many agencies, is having continuing difficulty in finding enough qualified recruits and transfers. The vacancies are then filled by means of overtime, which is more costly than regular pay.

FC 409 – Human Resources – Liability Self-Insurance **Issue:** Update on property insurance premiums $1.2 million higher than adopted budget.	$187,953

They proposed to wash out most of the $1.2 million problem by charging the other departments for their proportionate share of the increased liability problem. This, in turn, means that regular programs may suffer from the reductions. The much more serious issue is why liability costs are going up. How much are they in total? These include insurance premiums and the direct costs of legal settlements. What is the big picture here?

To mitigate the impact of this 96% increase, the department requested and received approval to spread the $1.2 million premium increase in installments over four years, beginning with

$190,154 in FY 2024-25 and $340,000 in each of the next three fiscal years. The department will continue to monitor the impact of this increase along with other expenses and salary savings in future quarters to assess the net impact of the Property insurance premium rate increase in FY 2024-25 on General Fund support.

FC 143 - Court Operations **Issue:** Projecting $367,001 revenue shortfall due to decreased revenue received for recording fees and a decreased revenue for fines, forfeitures, and penalties.	$367,001

FC 305 – Parks and Recreation – Regional Parks **Issue:** Projecting unfavorable budget variance of $507,872 due to decline in campground and lake use revenue and increased costs for utilities.	$0

Here, staff asserts that they can manage their way out of the problem without having to rebalance, using general fund reserves or savings from other departments. This seems futile in that the problem comes from lower attendance at parks facilities, per the statement below. If your customers aren't coming, there is a larger problem. Moreover, this condition is not described as seasonal variance. When a product or service is not being used, raising the price is not usually a solution. The government mindset in this regard is truly astonishing. They don't understand the concept of price elasticity (or negative elasticity). Perhaps they need a sale.

To mitigate the shortfall, the department implemented camping fee increases in January of 2025 which are expected to improve the revenue collection for the remainder of the year. Additionally, the department will closely monitor utility and operational expenses, adjusting where feasible to maintain current service levels. The department will also track and report any further impacts on the Parks reserve balance to ensure financial stability moving forward.

FC 142 – Planning and Building **Issue:** Projecting revenue shortfall primarily due to decline in permit revenues.	$0

The table above indicates that there is a $2.7 million problem, but that it will somehow be washed out by a grant and by conduction an "internal staffing level review."

At the end of the second quarter, the Planning and Building Department is projecting revenues that are $2.7 million, or 5% under budget, at year-end, primarily due to a projected decrease of $1.8 million, or 21%, in building and land use permit revenues. Furthermore, the department projects under-realized grant revenue in the amount of $737,867 (or 2%) primarily due to vacancies in the 3C-REN program, which are expected to be filled in the third quarter.

The department is conducting an internal staffing level review and is adjusting the workload between internal positions and contracts to control expenditures and mitigate the impact of

declining fee revenue on General Fund support (GFS). As of the end of the second quarter, the department does not anticipate exceeding budgeted GFS by the end of the fiscal year.

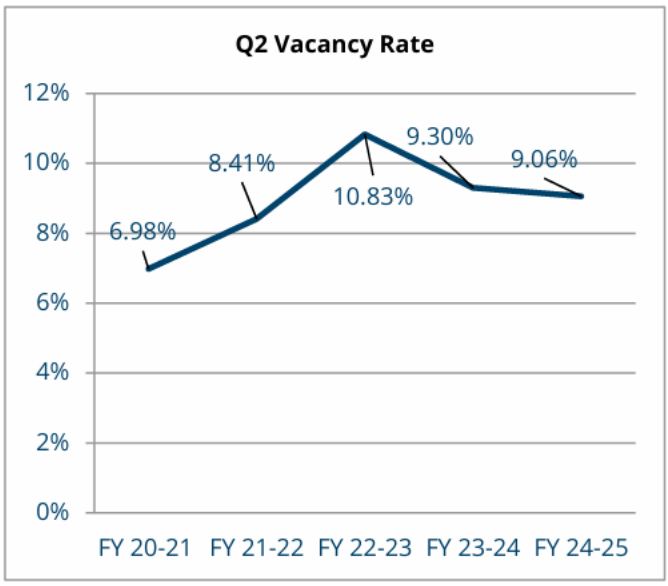
Are they saying that they might be overstaffed due to a decline in business? If so, why does it still take so long to process permits, plan reviews, and code review of construction plans?

Why did they raise rates in December for scores of Planning Department fees?

Is there an economic problem with development and construction slowdown that that could negatively impact other major revenues, such as the property tax in the future?

When a number of these revenue shortfalls and over-expenditures are added up, there could be an $8.6 million problem here in the current year. Do these problems carry over in to the new FY 2025-26 years? Are they within the staff estimate of and FY 26 revenue expenditure gap of $8 million to $13 million, or on top of it?

Vacancy Rate

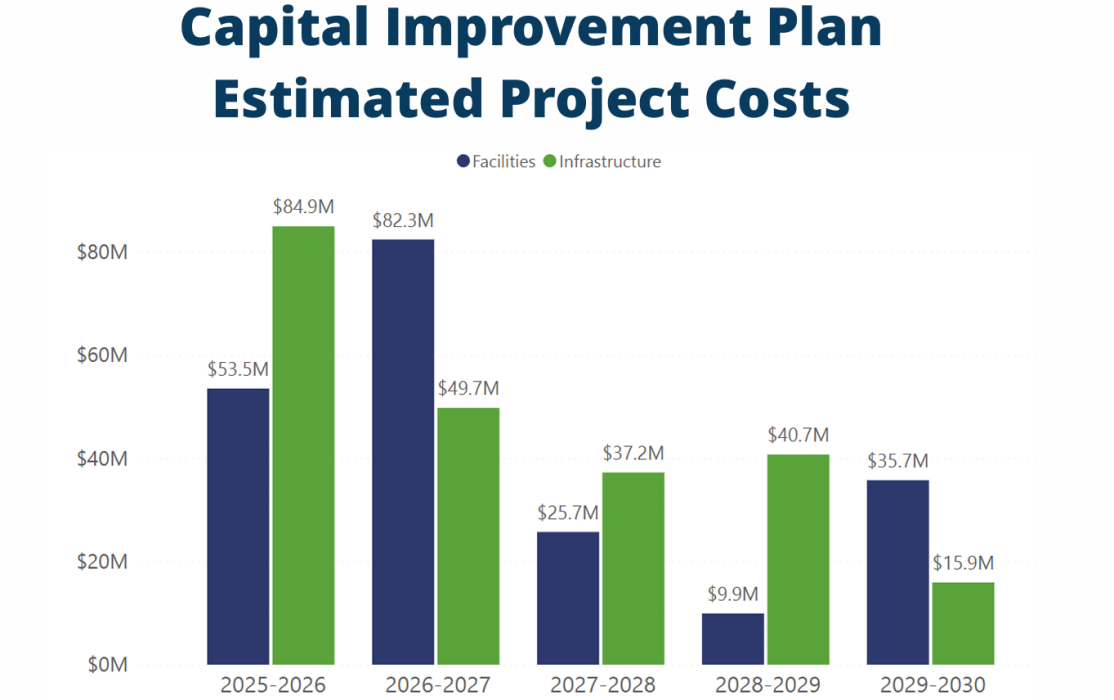


The County employee vacancy rate at the end of the second quarter was 9.06%. This equates to 268.75 vacant positions. By comparison, the vacancy rate for the second quarter during the prior fiscal year 2023-24 was 9.30% (276.5 vacant positions). This represents a decrease of 0.24 percentage points from the prior year; however, there is no significant variance in contributing factors to the vacancy rate.

A vitally missing table is the analysis of lost time due to sick pay, workers comp, and AWOL. This should be presented by department, division, and for the County as a whole. It is impossible to budget accurately without this metric. Lost time is failure to report to work as scheduled for any reason.

Item 26 - FY 2025-26 through FY 2029-30 Capital Improvement Plan (CIP). As part of the annual budgeting process, staff recommends a 5-year Capital Improvement Plan that contains funding for both infrastructure development and maintenance and facilities development and maintenance.

- Facilities
  - Airports
  - Community Services
  - General Government
  - Golf Courses
  - Health and Social Services
  - Library
  - Parks
  - Public Safety
- Infrastructure
  - Flood Control
  - Road Capacity
  - Road Preservation
  - Road Safety
  - Transportation Betterments
  - Transportation Structures
  - Wastewater Systems
  - Water Systems



A problem is that this table totals only $435.5 million, not $689 million as the write-up states for the 5-year total. A further discrepancy is noted below.

The Plan proposes a grand total of $689 million over the next 5 fiscal years. The write-up states that of this this amount, $299 million has been funded “and $499 million is forecast to be needed over the next five years.” Of course, $299 + $499 totals $798 million. It is not known what the internal logic or lack thereof is operating here.

The write-up also states: “Some funding sources for the $689 million funding need have been identified, and some have not. Of the funding sources that have been identified over the next five years, approximately $275 million is proposed to come from sources other than the General Fund. Additional information about funding sources is provided in Appendix 3”

Thus, it is not possible at this time to determine how much of the plan is funded and how much is unfunded.

The narrative also states:

The Plan also includes capital projects that have been identified, but are not expected to be delivered within the timeframe of this Plan. Those projects are summarized in Appendix 8.

Roads are Important to Everyone:

The road system in the County comprises over 1,300 centerline miles, and conditions are routinely measured by the Pavement Condition Index ("PCI"). The Board of Supervisors has established a target countywide PCI of 65 or higher, with two-thirds of roads averaging 60 or higher. Roads with an average PCI 65 or higher can be cost-effectively maintained in perpetuity. As the PCI declines, the cost and complexity of repairs and maintenance increases substantially.

Currently, the countywide average PCI is 59, with over 61% of roads in Good (or better) condition. There are approximately 150 miles of roads in Poor condition, very low-volume roads, largely in the north county, with an average PCI of less than 20. While the average Urban and Suburban roadway is in generally Good condition (average of 63 PCI), the remaining poor condition, low-volume roads are the primary contributor to the depressed countywide PCI of 59.

Essentially, the County is not expending enough money on its roads, as the PCI continues to decline. The quality and safety of the roads is one essential that all citizens depend upon. Both the State and the County have failed to prioritize this issue sufficiently. Instead, the roads budgets are always couched in terms of the need for increased taxes. The voters are exhorted to approve new sales taxes to pay for roads. Why not make roads a priority and allow voters to approve measures for other costs, such as raises and benefit increases?

Why are endless raises and benefit increases prioritized, when citizens must vote for improved roads?

Buildings and Parks are key components:

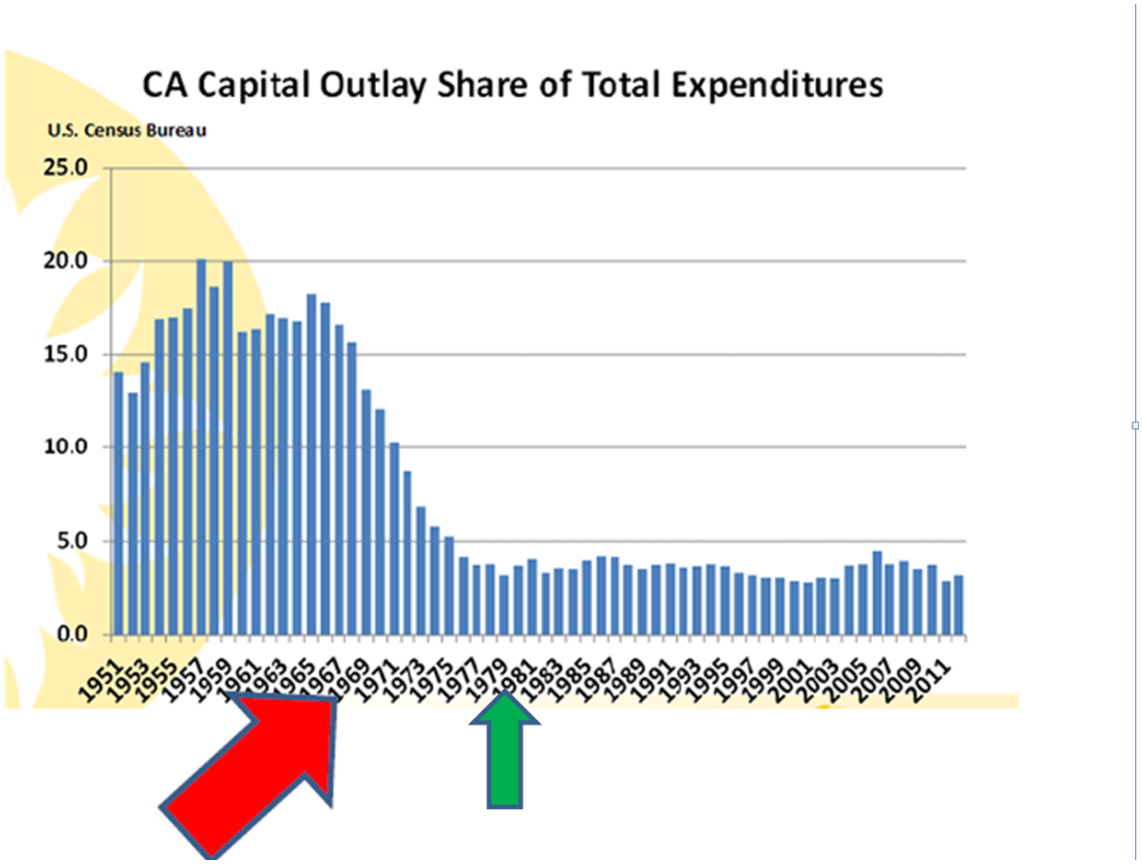
The deterioration of County buildings and parks continues with slight restoration. Note that the condition of most is rated as poor.

The FCI Condition Scale:

Facility Type	Average Assessed FCI	Average Current FCI	Target FCI
PUBLIC	21.55%	20.00%	5.00%
NON-PUBLIC	24.18%	18.95%	10.00%
GOLF	14.99%	14.85%	10.00%

Public and Non-Public average assessed FCI and average current FCI exclude buildings planned to be retired within the next 10 years, unoccupied ancillary buildings, and facilities the County is not contractually responsible to maintain.

The larger problem is that salary and benefit increases over the decades have driven capital investment out of public budgets since the legalization of public employee collective bargaining. Leftists often attempt to blame Proposition 13 for the problem; however this is not true.



As the chart demonstrates, the red arrow designates when collective bargaining in California was legalized. The green arrow designates when Preposition 13 was actual implemented. Note that the percentage of capital investment had already been displaced by surging salaries and benefits.

For the left, government programs do not really exist to benefit the public. They are employment and wealth transfer programs for those who support the left.

Items 27-30 - Appeals by the Los Osos Sustainability Group of 4 Projects Previously Approved by the Planning Commission. The Board considered a series of four appeals by Patrick McGibney of the Los Osos Sustainability Group (LOSG) asking that permits previously approved be denied. Two of the permits were for existing structures with no use changes or new construction, and two were for new single family homes.

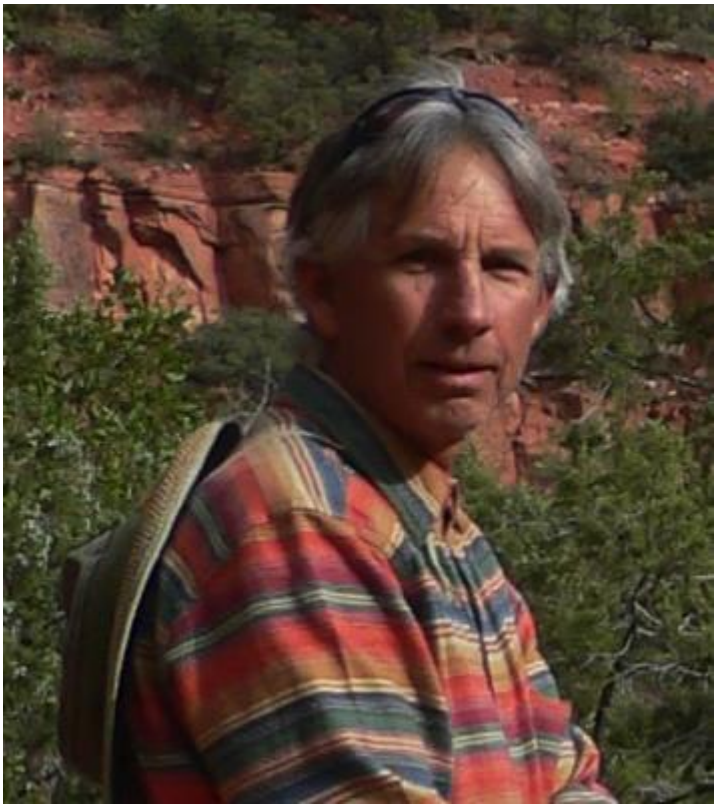
The appeals were based on allegations by LOSG that the Los Osos Groundwater Basin is in overdraft. They claim salt water incursion is increasing, thus diminishing the sustainability of the basin. Each of the appeals was rejected.

Background: The appellant is a citizens group that believes that development in Los Osos must be severely constrained due to insufficient groundwater. Over the last few years, the Commission approved the four projects, which include three single family residences, and one small commercial project.

The staff report recommended that the Board deny the appeals and thus approve the projects. If the appeals are denied, it is almost certain that the appellants will go to the Coastal Commission.

Consider that the poor applicants who go through years of expensive processing with the County, making concessions and contracting for mitigation payments, and then having to repeat the whole process with the Coastal Commission.

The driving force for the Sustainability Group appears to be a man named Patrick McGibney. He seems to have allies in the Sierra Club, the so-called Northern Chumash Tribe (not a legally recognized tribe), and promoters of the Chumash Marine Sanctuary that was recently approved by former President Biden back in December. Like barnacles, these parasites suck the life out of society by opposing homes, energy, travel, and just about everything else.



McGibney

Item 32 - Any Supervisor may ask a question for clarification, make an announcement, or report briefly on his or her activities. In addition, Supervisors may request staff to report back to the Board at a subsequent meeting concerning any matter or may request that staff place a matter of business on a future agenda. Any request to place a matter of business for

consideration on a future agenda requires the majority vote of the Board. There were no new requests this week. This is a standing item that has been used infrequently so far.

Planning Commission Meeting of Thursday, March 13, 2025 Cancelled

The next regularly scheduled meeting will be on March 27, 2025, in the Katcho Achadjian Government Center, Board of Supervisors Chambers, 1055 Monterey Street, Room D170, San Luis Obispo.

California Coastal Commission Meeting of Wednesday, March 12, Thursday, March 13, and Friday, March14, 2025 (Completed)

Item Wednesday 14a - Morro Shores Mobile Homes Park, LLC. The Commission declined to hear the appeal. This means the project can go forward. The Commissioners agreed that the project actually saved water. They also agreed that the project would provide needed units of affordable housing.

Background: The County Planning Commission approved a small expansion at the mobile homes park. Patrick McGibney of the Los Osos Sustainability Group (See BOS Items 27-30, above, for a related matter) appealed to the Board of Supervisors, which then denied the appeal. McGibney has now appealed to the Coastal Commission.

The Commission staff recommended that the Commission refuse to process the appeal on the grounds that the facts do not demonstrate a water basin overdraft, as asserted by McGibney.

Its staff report states in part:

San Luis Obispo County approved a CDP to authorize the addition of 10 new prefabricated manufactured homes (mobile homes) and other related improvements and amenities at the existing 164-unit Morro Shores Mobile Home Park. Other site improvements would include the construction of additional walkways, steps to new the units, roadway extensions, fire access improvements, and neighborhood amenities such as a dog park. The project would result in the disturbance of approximately 1.7 acres on the approximately 30-acre mostly developed parcel. The project is located at 633 Ramona Avenue in the unincorporated community of Los Osos in San Luis Obispo County.

And

The Appellant contends that the County's CDP approval raises LCP consistency questions related to the adequacy of water to serve the development, arguing that there is not sufficient water and thus that the project should be denied. Staff respectfully disagrees. The Commission has spent considerable time over the past few years (and well before that) evaluating Los Osos' water supply issues, including groundwater health and any coastal resource concerns associated with community withdrawals, and has concluded that the best available science has

demonstrated that the Los Osos Groundwater Basin is not in overdraft, that withdrawals are not resulting in any significant resource harm, and that there is sufficient water to serve new water-using development.

And

In summary, there is no evidence that the project will result in any significant adverse coastal resource impact, and in fact the opposite is true in that the best available science, including as articulated by the BMC and affirmed by the Commission in recent actions, shows the groundwater basin to be in a sustainable state within its identified safe yield and thus able to accommodate new development like this one. The County approved project is also a relatively small but welcome addition to an existing developed mobile home park that will provide 10 new housing units to the community's housing 1The BMC estimates that the 2023 (the most recent data available) safe yield for the Los Osos groundwater basin was 2,380-acre feet, and the community used 1,650 acre feet, or 69 percent of the sustainable yield. Page 2 A-3-SLO-23-0014 (Morro Shores Mobile Home Park Expansion) stock, thereby helping further County and Commission efforts to increase a variety of housing types, including smaller housing units (and in this case ones that are age restricted to those 55 and over).

The Larger Issue:

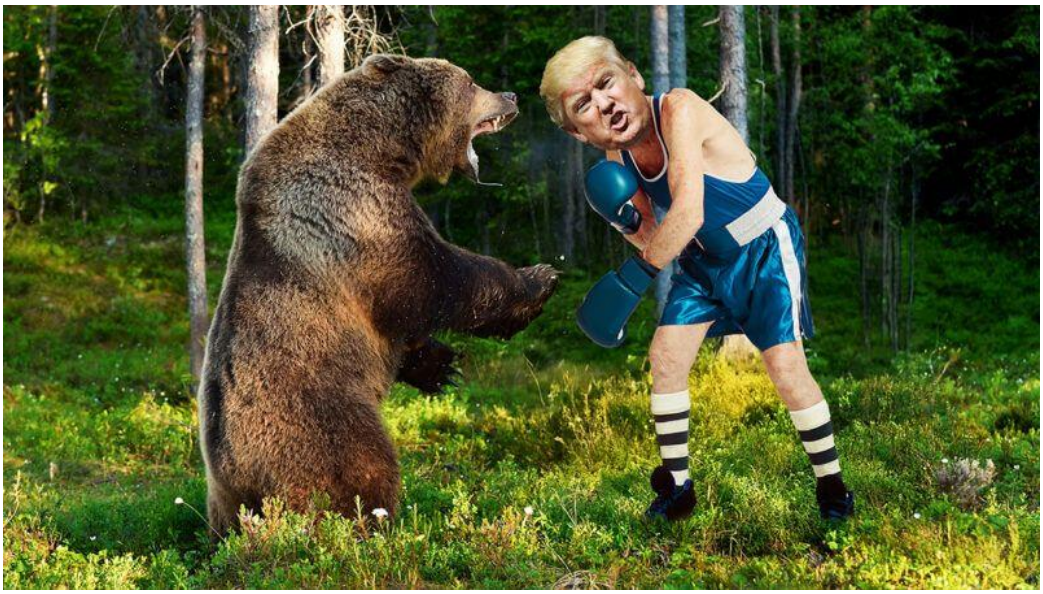
Here again an applicant spent years and tens of thousands of dollars processing its application to allow a few more mobile homes on some vacant portions of the park. Ultimately, the County twice determined that the project should be permitted. Now McGibney puts the applicant though the whole meat grinder again. Shouldn't there be some provision to reimburse the applicants' costs, loss of income, and loss of time by such a frivolous intervenor?

Closed Session: The Friends of the Oceano Dunes now have 5 legal actions pending against the Commission. There is a rumor that the Court may soon be issuing a preliminary decision on some of these that are very unfavorable to the Commission. It is not known if the negative fallout will impact the SLO County APCD. It would be great if both agencies were slugged with large costs, penalties, and damages. Of course, real justice would be that costs penetrate the organizational shields and be levied on the Coastal Commissioners and the APCD Board members, past and present, who have voted to curtail riding and free style camping on the dunes under the false guise of carcinogenic particles.

EMERGENT ISSUES

Item 1 - Trump and California Are Set To Duke It Out Over Environmental Policy Again, By Jeff Luse

During Trump's first term, California filed numerous lawsuits seeking to halt deregulation.



(Illustration: Joanna Andreasson Source images: iStock, Gage Skidmore)

California was one of President Donald Trump's largest foes during his first term; the state sued his administration over 120 times. Lawsuits from the Golden State impeded several of Trump's deregulatory moves, including attempts to curb regulations regarding methane emissions from landfills and fracking on federal lands.

Then-California Attorney General Xavier Becerra also led a coalition of 22 states in challenging the Trump administration's final rule to modernize the National Environmental Policy Act (NEPA). The first significant overhaul of the law in decades, the rule set hard page and time limits for completing an environmental review and was designed to streamline permitting in the United States. While the lawsuit did not reverse the rule, the NEPA modernization was ultimately rescinded when President Joe Biden took office.

With Democratic Gov. Gavin Newsom calling on the state Legislature to create a $25 million reserve account for litigation, California is ready to play spoiler again. This could spell trouble for Trump's goals to increase oil and gas drilling on federal land, roll back Biden-era pollution controls at fossil fuel power plants, and reverse stringent greenhouse gas standards for vehicles.

Meanwhile, the Trump administration could also hamstring many of Newsom's climate change and clean energy projects by clawing back federal funding for subsidies and slow-walking approval for some of the state's clean air initiatives. California is the only state currently allowed to set its own air pollution standards for new vehicles, but it must first obtain a waiver from the Environmental Protection Agency (EPA).

In December, the EPA approved two California waiver requests, including its rule mandating that 100 percent of cars sold in the state be zero emission by 2035. The Trump administration could try to reverse this decision, as it did in 2019 when the EPA rescinded a previously approved waiver that allowed California to implement its own vehicle emissions standards for model year 2022–2025 cars. (Biden reinstated the waiver.)

Repealing California's waiver would have national implications. As of August, 2024, 17 states and the District of Columbia have implemented some subset of California's vehicle emissions standards. These states and California accounted for more than 40 percent of new vehicle sales in 2023, according to the Congressional Research Service.

A second round of Trump vs. California will have significant impacts on taxpayers—Californians alone paid $42 million for Trump-related litigation from 2017 to 2022—and businesses, which have to stay in compliance even as regulatory standards ping-pong from administration to administration. Trump's second term provides Congress an opportunity to stop this chaos by implementing stable regulations that shrink the size of government and allow the private sector to meet the country's economic and environmental needs.

This article originally appeared in print under the headline "Trump vs. California: Round 2." March 2025 Reason Magazine. Jeff Luse is a deputy managing editor at Reason where he covers energy and environmental policy. Jeff's writing has been featured in Newsweek, The Hill, National Review, and more. He has also appeared on The Hill's Rising.

Item 2 - Desalination at Scale is Cost Competitive, By Edward Ring

Around the world desalination is transforming economies and improving quality of life

On May 22, 2022, the California Coastal Commission voted unanimously to deny final approval for a desalination plant in Huntington Beach. It would have produced 56,000 acre feet of fresh water per year, and would have been privately financed.

To describe in detail the 20 year and roughly $100 million ordeal that federal, state, regional, and local agencies put the contractor through, along with continuous litigation, could consume volumes. But with this final rejection by the Coastal Commission, the project died.

With that legacy, it’s become very unlikely any other civil engineering firm will ever try to build a big desalination plant on the California coast. The reasons aren’t based on cost, or energy consumption, or even environmental impact. Regulations, driven by ideology instead of facts, killed desalination.

It’s always surprising the vehemence with which opponents of desalination make their arguments. Some of these critics are concerned about securing adequate water to continue farming, and correctly point out that desalination is expensive. But compared to what?

Because most of the annual cost for water projects, once they’re built, comes down to paying off the construction bonds, a useful way to measure their return on investment is to divide the capital cost by the projected annual yield. The results may surprise critics of desalination. Let’s start with the Delta Tunnel.

At a construction cost of $30 billion (nobody to-date has been willing to bet it will cost less), and the California Department of Water Resources projecting an annual yield of 500,000 acre feet, that comes down to a cost/yield result of $60,000 per acre foot. If we suppose that twice that

amount is ever pushed through the tunnel, and the existing Delta pumps are not throttled back proportionately, we still arrive at a price of $30,000 per acre foot.
Next consider the Temperance Flat Reservoir, proposed for years and approved by voters, but unlikely to ever get built. This reservoir, estimated to cost $3 billion, would not block the San Joaquin River because it would be located upstream from the existing Millerton Reservoir. It would have a storage capacity of 1.3 million acre feet, but estimates of its annual yield tend to peak at around 100,000 acre feet per year; again, $30,000 per acre foot.

That brings us back to the Huntington Beach desalination plant, which was projected to cost $1.5 billion and produce 56,000 acre feet per year. That equates to a cost/yield of $26,786 per acre foot.

Notwithstanding the fact that discussion and debate and financing challenges centering on the Delta Conveyance has tied California's water supply industry up in knots for years and will continue to into the foreseeable future, we need the tunnel. We also need Temperance Flat, we need desalination plants, and multiple additional projects, because to have water security, we need multiple sources of water. As for the costs, they are all ridiculously inflated, and that, too, is a feature of California's regulatory and litigious environment. But what about energy?

The energy cost to desalinate ocean water continues to drop, but let's start with Carlsbad since it's been operating for years. The electricity cost at Carlsbad is 3,500 kilowatt-hours per acre foot. It may be possible to do much better. Ocean Well, a company pioneering a desalination process that "harvests the natural hydrostatic pressure found at depths of 400 meters below sea level to drive the reverse osmosis process," claims they can get the energy consumption down to 2,500 kilowatt-hours per acre foot. The theoretical minimum may be lower still, at around 1,200 kilowatt-hours per acre foot.

To put this into perspective, imagine Californians installed desalination plants up and down its coastline, utilizing modular designs that promise to dramatically lower capital costs. If these desalination plants were producing 1 million acre feet per year, operating at Carlsbad's efficiency, that would carry annual electricity cost of 3,500 gigawatt-hours. Californians today consume nearly 300,000 gigawatt-hours of electricity per year. By increasing our electricity demand by barely more than one percent, we could add a million acre feet to our urban water supply, and rehydrate our parched and rationed cities.

When envisioning a future of abundance, there are new assumptions we should consider. Construction costs can come down because of automation and new technologies.

Continuously rising capital costs are not inevitable. Labor costs are not driving construction costs higher; the money is being wasted on preventable litigation and regulations, not labor. This means partnerships with private sector unions on big projects requiring highly skilled workers don't necessitate crippling additional costs. And finally, electricity had better come down in cost. Isn't that the promise of renewables? How else do we expect to electrify more vehicles and become a hub for AI? And to accomplish that, all that is required is to stop closing down natural

gas powered electricity generating plants, and instead allow them to run at capacity and compete with renewables. Prices will plummet.

Around the world desalination is transforming economies and improving quality of life. California's reluctance to lead the way is a huge missed opportunity.

Edward Ring is the director of water and energy policy for the California Policy Center, which he co-founded in 2013 and served as its first president. The California Policy Center is an educational non-profit focused on public policies that aim to improve California's democracy and economy. He is also a senior fellow of the Center for American Greatness. Ring is the author of two books: "Fixing California - Abundance, Pragmatism, Optimism" (2021), and "The Abundance Choice - Our Fight for More Water in California" (2022). March 13, 2025 , California Globe

Item 3 - California Voter ID Ballot Initiative Announced for 2026 Ballot, By Katy Grimes

Thirty-six states in the U.S. have implemented some form of voter identification requirement

Assemblyman Carl DeMaio (R-San Diego), Assemblyman Bill Essayli (R-Riverside). (Photo: Katy Grimes for California Globe)

Assemblymen Carl DeMaio (R-San Diego) and Bill Essayli (R-Riverside) announced Tuesday their intention to support the qualification of and passage of a Voter ID Initiative in California in the 2026 election.

A coalition of elected officials and campaign committees have also announced support, and released polling showing overwhelming bipartisan support for a Voter ID Initiative in California – with a super-majority of Republicans and Independents and a majority of even Democratic voters supporting the initiative.

National, regional or local polling always shows that a Voter ID requirement is popular with a majority of voters – as high as 8 in 10 voters, according to mainstream polling firm Gallup.

A poll conducted by Gallup in October 2024 found that 84% of Americans favor requiring all voters to provide photo identification at their polling place in order to vote. The poll also found that 83% of Americans favor requiring people who are registering to vote for the first time to provide proof of citizenship.
As voter ID is popular among voters, the new Voter ID ballot initiative coalition is strong and includes a number of federal, state and local elected officials along with a number of political advocacy groups.

The measure will be a state constitutional amendment that requires citizenship verification for all voter registrations and government-issued ID for casting a ballot in an election.

"There is a cancer growing in our democracy where too many people have lost confidence in our elections – and enacting a Voter ID law should be seen as the best bipartisan solution to this problem. The Democrat-controlled swamp removed me from the Assembly Elections Committee, so I am thrilled to take this common sense issue directly to the People," says Bill Essayli, State Assembly member (District 63) and Chairman of Common-Sense California.

"We're dead serious," Essayli added. "And we are modeling the initiative after Proposition 36."

Listen to Assemblymen Essayli and DeMaio talk about the initiative.
"Thirty-six states in the U.S. have implemented some form of voter identification requirement. Similarly, every country in Europe mandates that in-person voters present photo ID to cast their ballots. This practice is also standard in Canada, Japan, South Korea, India, Mexico, Brazil, South Africa, and many other nations worldwide, spanning both developed and developing democracies," said Julie Luckey, Director of Californians for Voter ID. "Support for voter ID laws transcends party lines—it's not a Republican or Democratic issue. Polls consistently show that majorities of Republicans, Democrats, and independents favor these measures. Nor is this unique to the United States; it's a global norm. Voter ID is simply a common-sense policy. California needs to modernize its elections to align with the vast majority of the world's democracies. While our state leads in so many areas, it lags behind on this issue. It's time for California to catch up and enact voter ID laws."

"Politicians and the media will keep denying the fact that California has real problems with election integrity, but the message from the public is loud and clear in support of requiring Voter ID as the best way to restore public trust and confidence in our elections," said Assemblyman Carl DeMaio, State (District 75) and Chairman of Reform California.

"Voter ID is a common sense step that improves election security, which is why it receives broad support among Democrats, Republicans and independents throughout California. By passing a Voter ID initiative in California we can give voters increased confidence in our elections without unnecessarily restricting access to voting," said Rep. Ken Calvert, US Representative (CA-41)."

"There is wide-spread support among the donor community for enacting common-sense election integrity reforms through the Voter ID Initiative and we look forward to helping get this important reform qualified and passed in 2026," said Teresa Hernandez, Chairwoman, Orange County Lincoln Club.

Polling conducted by Public Opinion Strategies in late January for several coalition members showed *68% of voters support passage of a Voter ID law*– drawing support of 93% of Republicans, 70% of Independents and 52% of Democratic voters.

To commit to sign the petition when it is ready for circulation, visit: www.VoterIDPetition.org. To contribute visit www.CaliforniaVoterID.com.

Katy Grimes

Katy Grimes, the Editor in Chief of the California Globe, is a long-time Investigative Journalist covering the California State Capitol, and the co-author of California's War Against Donald Trump. This article first appeared in the March 11, California Globe.

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

SCHEDULE F WON'T TAME THE DEEP STATE[2]

THERE IS NO MAGIC BUTTON. TRUMP WOULD HAVE TO GO FURTHER THAN EVEN ALLIES ASSUME

BY THEO WOLD

[2] Schedule F is a job classification for appointments in the excepted service of the United States federal civil service for permanent policy-related positions.

The idea that 2.2 million unaccountable, unelected bureaucrats should decide for themselves how best to execute the laws is an affront to our Constitutional order and to the millions of Americans who are subjected to their anti-democratic bureaucratic tyranny. This is a moment for bigger changes. If not now, when? If not Trump, then who?

The American civil bureaucracy accomplished enormous successes from the time the Constitution was adopted through the Civil War and the early years of Reconstruction. The country incorporated more than half the land mass that comprises the contiguous United States today, including through the Louisiana Purchase. The U.S. undertook and accomplished enormous public works projects, constructing the Erie Canal and the National Road, the nationwide telegram system, and the transcontinental railroad. Americans were victorious in battle, successfully repelling the British invasion in the War of 1812 and winning the Mexican-American War. These were sensational and advanced accomplishments, unrivaled among the rest of the contemporaneous world.

Today, the civil bureaucracy of that era is derided as the Jacksonian "spoils system," which its numerous critics describe as a web of political patronage that allowed individuals to purchase positions in the federal bureaucracy with their political donations. A system as crass as that should be rightfully criticized, but the dominant "spoils system" narrative does not accurately portray the historical reality and instead merely parrots the talking points of Jackson's political opponents to caricature a movement that actually promoted democratic accountability.

In truth, Jackson did not "gut" the federal government, as his critics allege, but replaced approximately 9 percent of its workforce with loyalists who wanted to advance the policies he had been elected to enact. This was not an affront to democracy but rather the embodiment of it, and it was not without precedent. In proportion to the size of the federal government at the time, President Jefferson gutted a larger percentage of the federal workforce when he took office, and other early presidents supported the president's power to remove any member of the executive branch. Such removal, even at a larger scale, was not anti-democratic but a core feature of the political accountability of the executive branch.

Today, the civil bureaucracy is not creative, accomplished, or even responsive to the president; it is stagnant and a drag on the country, and it is no wonder. Rather than being staffed with regular Americans chosen for their ideas or leadership capability by a duly enacted president, the bureaucracy of today is composed of credentialed box-checkers insulated from political accountability by undemocratic civil service protections. Of the roughly 2.2 million federal bureaucrats and 10 million federal contractors, only about 4,000 roles are political appointees accountable to the president. What is worse, this unaccountable bureaucracy is an active arm of the Left, and not any reflection of the diversity of political thought among the American people or their elected leaders.

One can judge the bureaucracy by its controversies. IRS bureaucrats targeted "patriot" organizations for their conservative identity; the national security agencies wielded anti-terrorism authorities to investigate a rival presidential campaign and unmask its senior-level political advisors; bureaucrats across numerous agencies applied pressure to social media companies to repress conservative political speech with which they disagreed; and even the Department of

Justice, supposedly the paragon of neutrality and the arbiter of the rule of law, has embarrassed itself over its irreconcilable enforcement choices. It executed a pre-dawn raid of Roger Stone, while allowing the statute of limitations to run on most of Hunter Biden's crimes. It prosecuted Peter Navarro for refusing to answer a congressional subpoena, but when Eric Holder did the same, DOJ declined to bring charges. It raided, arrested, and prosecuted a pro-life protestor who was ultimately acquitted on all charges, while Antifa and BLM rioters were never charged.

Unsurprisingly, a leftist bureaucracy willing to wage war on its political opponents is also unwilling to help them achieve their policy priorities. Today, the key challenge facing a Republican president, in the words of political scientist Clinton Rossiter, is "not to persuade Congress to support a policy dear to his political heart, but to persuade the pertinent bureau or agency—even when headed by men of his own choosing—to follow his direction faithfully and transform the shadow of the policy into the substance of the program." The reason? Federal civil service laws that protect and insulate the bureaucracy from the president's control, contrary to the Constitution's demands.

Reforming those laws must be a top priority of the next Trump administration, and the centerpiece of that reform cannot be the Schedule F proposal put forward in the first Trump presidency. That idea, which would at most designate a small proportion of the bureaucracy for greater presidential removal authority and control, cannot begin to stand up against the threat of the administrative state writ large. Nor is there any reason for conservatives to be satisfied with such an incremental, technocratic, work-inside-the-system proposal. The facts are apparent to the American people that the weaponization of government has never been on fuller display. There will not be a more convincing record on which to campaign to dismantle the administrative state, nor will there be a second chance to try. If the administrative state survives unscathed and unreformed after the last ten years of abuses, the already bold bureaucrats will grow bolder and reform will be out of reach.

Today the Left defends the civil service protections of the federal bureaucracy as if they were handed down on stone tablets, but the reality is that they are an amalgamation of entrenched policies reflecting a progressive worldview, essentially a one-way ratchet that has grown more powerful with every Democrat administration and rarely if ever knocked back when Republicans ascend to power.

The first major attempt at establishing protected status for the civil service was the adoption of the Pendleton Act in 1883. In the years before its passage, the concept of civil service reform was hotly contested and a source of division in electoral politics. Public opinion for the reform coalesced in the aftermath of President James Garfield's assassination. Garfield was shot and killed by a man named Charles Guiteau, whose professed motivation was having been passed over for a diplomatic position to which he believed he was entitled based on his support for Garfield's campaign. In reality, Guiteau was mentally ill. He had a history of fraud and dishonest dealings as a lawyer, including pocketing money his clients won in litigation. He was a plagiarist, narcissist, thief, domestic abuser, and a self-professed prophet of God. The idea that Guiteau had any claim to a diplomatic role in the Garfield administration was merely a symptom of his insanity.

Civil service reformers relied on the emotional pull of the Guiteau story to rally support for their cause. The National Civil Service Reform League circulated nationwide a letter relying on "the

recent murderous attack" to promote reform legislation. Senator George Pendleton of Ohio was even more explicit when promoting the reform bill that bore his name: Guiteau's "desire for office—the belief that he had earned it…made this crime possible…made it possible for the assassin to assert that he thought he was doing his party and his country a service." In fact, what made Guiteau's crime possible was his insanity, which was surely no basis on which to enact political reform. But rhetoric like this worked, and the Pendleton Civil Service Act was enacted in 1883.

Despite the swelling support for reform based on the despicable acts of a madman, the Pendleton Act's actual effect was modest. It charged the Civil Service Commission to institute "open, competitive examinations for testing the fitness of applicants for the public service," examinations that would "relate to those matters which will fairly test the relative capacity and fitness of the persons examined to discharge the[ir] duties." Jobs were to be available only to the highest-scoring applicants and also apportioned among the states and territories based on the latest census. New appointees were to be given a period of probation at the outset of their employment.

Perhaps most importantly, this new opportunity for open, merit-based civil-service selection was limited to roughly 10 percent of the federal bureaucracy at the time, essentially customs officials ("clerks and persons employed by the collector, naval officer, surveyor, and appraisers") and some postal employees. Both categories encompassed positions of trust where political accountability was of little importance. It was important that the individuals inspecting citizens' goods, assessing customs dues, and handling official mail be competitively selected in open, merit-based hiring, not based on political connections.
Over time, the Pendleton Act's modest reforms have metastasized across the federal government, transforming it beyond what even its proponents would recognize.

First, the act's coverage expanded until, roughly a century after the Pendleton Act took effect, 90 percent of the federal bureaucracy fell under the purview of the Civil Service Commission. This meant that civil service reforms that were once limited to select trust positions far removed from policymaking are today so expansive that they encompass legions of supposedly non-political civil service employees who actually perform policymaking and policy-advocating work.

The greater reach of these reforms is compounded by the enormously expanded reach of the federal government over the same period of time, a longstanding trend but one that grew exponentially out of the New Deal. Because of the ever-expanding federal government, more civil servants doing policy-related work are protected by civil service rules and the policy work they do reaches further into citizens' lives than ever before. Protected bureaucrats can designate a neighborhood parcel as a protected wetland, eliminate incandescent lightbulbs in homes, and demand that half of cars sold be electric vehicles, infrastructure inadequacies be damned.

Second, the Carter administration scrapped merit-based examinations, which had been a key feature of civil service hiring beginning with the Pendleton Act. At the start of the Carter administration, the Professional and Administrative Career Examination (PACE) served as a gateway for college graduates seeking top agency positions in the executive branch. The test was a general intelligence exam aimed at assessing and predicting skills in verbal comprehension, judgment, and deductive, inductive, and quantitative reasoning. Studies showed that success on

the test was an excellent predictor of success on the job. In the late 1970s, however, other studies emerged that indicated black test-takers performed disproportionately worse on PACE.

The data was imperfect, and the Office of Personnel Management believed that the disparate test results had no "bottom line" adverse impact on minorities in PACE occupations because of other equalizing means for entering those jobs, including internal promotion. OPM data showed that 17 percent of the employees in the most populous PACE occupations were minorities, which was higher than the relevant labor market statistics at the time. But activists sued the Carter Administration over the disparate impact of PACE, and in the twilight of his presidency, Carter's Department of Justice (perhaps without directly consulting the president or his advisors) settled the case with a consent decree that scrapped the test just as the plaintiffs sought and set in place a racial quota system instead: minority applicants must be selected for jobs at a rate proportional to the number who apply.

Various other aspects of the Pendleton Act's reforms have been abandoned, too. There are no geographic requirements for apportioning civil service roles. Instead, the bureaucracy is primarily staffed by individuals who spend their careers in and around the District of Columbia. Far from requiring probation periods for new employees to demonstrate their fitness for their roles, in today's civil service misbehavior is extremely difficult to address and firing nearly impossible. Unable to address misbehavior, the civil service now incentivizes performance with pay bonuses.

This has not solved the problem. Even the bureaucracy's worst performers (for example, the Veterans Administration executives who encouraged false reporting about waiting lists for hospital admissions) receive "outstanding" ratings and qualify for these incentives. The Government Accountability Office has acknowledged that the bureaucracy has no way to stratify employees based on the existing performance evaluation system, under which more than 99 percent of federal employees rate as "successful" or above. The result is that pay raises have become automatic and so-called "incentive pay" serves as "free money" to recipients, untethered from exemplary, metric-tested accomplishments.

Other reforms have also contributed to changing the character of the federal bureaucracy. John F. Kennedy gave federal employees the right to unionize and collectively bargain in 1962, and Lyndon B. Johnson expanded the right to include binding arbitration of certain disputes beginning in 1969. Every subsequent Democratic president took executive action to further expand the rights of public employee unions. President Carter enjoyed congressional support for additional pro-public-union reforms that were rolled into the Civil Service Reform Act of 1978.

Among other things, that law expressed Congress's view that public-employee unions "safeguard the public interest" because they promote "the highest standards of employee performance and the continued … implementation of modern and progressive work practices to … improve employee performance and the efficient accomplishment of the operations of the Government." Nothing could be further from the truth today, when public-employee unions insulate low-performing or outright misbehaving federal employees from termination. Federal public employee unions impose greater costs on taxpayers and interpose quintessentially private interests (the preferences of public employees) between the citizenry and their government.

Not content merely with bargaining rights, Democrats also enacted employment protections for the civil service in the same 1978 Act. These reforms imposed for-cause limitations on subjecting covered employees to adverse employment actions and also guaranteed civil service bureaucrats extensive procedural protections before an adverse action is taken. Adverse actions include not only suspension and termination but also a reduction in grade or pay. The procedural protections include advanced notice of any adverse action, an opportunity to respond, the right to be represented, and an appeal, to be heard by the new Merit Service Protection Board, which the 1978 Act also created. These are exactly the kinds of procedural protections that a private sector union might be expected to bargain for; public employees of the federal government, however, enjoy these protections by statute, outside of any collective bargaining.

The net result of these changes is that our federal bureaucracy reflects neither the ideals of the Founders nor the principles that supposedly justified the growth of the administrative state and accompanying civil service "reform" over the past 150 years.

The Founders believed in accountable government and rejected proposals that would have insulated executive branch officers, even minor officers, from the president's sole control. In 1789, the early Congress debated a bill to create a foreign affairs department, including what removal authority should govern it: removal by the President, or authority based in Congress, or blended between the branches? In debating the bill, Madison spoke about the Constitution's intentions for accountability at all levels of the executive branch and the best protections against maladministration:

> *The danger to liberty, the danger of mal-administration has not yet been found to lay so much in the facility of introducing improper persons into office, as in the difficulty of displacing those who are unworthy of the public trust. If it is said that an officer once appointed shall not be displaced without the formality required by impeachment, I shall be glad to know what security we have for the faithful administration of the government. Every individual in the long chain which extends from the highest to the lowest link of the executive magistracy, would find a security in his situation which would relax his fidelity and promptitude in the discharge of his duty.*

And he minced no words about where the chain of executive authority should terminate:

> *If the president should possess alone the power of removal from office, those who are employed in the execution of the law will be in their proper situation, and the chain of dependence be preserved; the lowest officers, the middle grade, and the highest, will depend, as they ought, on the president, and the president on the community. The chain of dependence therefore terminates in the supreme body, namely, in the people, who will possess besides, in aid of their original power, the decisive engine of impeachment.*

In his speech, Madison explains that this structure of executive accountability flows from the Constitution itself, its structure and its guarantee of republican government.

Proponents of the burgeoning and protected civil service bureaucracy claim that the structure of the administrative state today serves other goals, goals the Founders could not have envisioned based on the size of the nation and the complexity of today's economy. They say the demands of modern governance require rule by experts, best achieved through meritocratic bureaucracy. I have previously written about a key originator of these ideas, James Landis, an intellectual

whose idea of a three-branches-in-one administrative state provided the theoretical architecture supporting FDR's radical reconstructions and expansion of the federal government.

The drive to produce a federal bureaucracy of merited experts has been shared by both parties, such that even efforts to "reform" the administrative state have been undertaken with the goal of encouraging merit and expertise. But if the goal of the federal bureaucracy is merit, we do not have a system designed to produce it. Objective criteria, like civil service examinations, have been jettisoned. Employee performance evaluations are inflated and meaningless. Procedural protections insulate federal employees from consequences for poor performance or misbehavior.

Far from producing a meritocratic bureaucracy, the civil service system produces a bloated and lethargic class of unaccountable "experts," who have been captured by the political Left. In the 2020 election, of those federal employees who donated to a candidate for president, most donated to Biden. In some agencies, the numbers were overwhelming: 91 percent of total dollars donated by Labor Department bureaucrats went to Biden, 85 percent at the Justice Department, and 84 percent at both the Education Department and State Department. It is no surprise, then, that when federal bureaucrats do muster themselves to get something done, it will be a priority of the Left: requiring religious organizations to provide health insurance for abortions and abortifacient drugs; imposing and enforcing vaccine mandates; enacting rules to allow retirement plans to invest based on environmental and social governance; or investigating the tax status of conservative organizations and churches.

It is impossible to understand the Trump presidency, what it accomplished and what it failed to accomplish, without understanding these attributes of the federal bureaucracy. The President no longer controls the executive branch. He can hire and fire Cabinet heads and some senior positions in each agency, but actually advancing substantive policies requires the participation of bureaucrats who may be happy to act when a Democrat president proposes a reform they support but who are equally happy to sabotage conservative policies through apathy, delay, or open opposition.

In my own experience, executive policy priorities originating from the White House and directed by the president were thwarted by bureaucrats across the federal government who simply refused to provide requested data ("Yes, we keep that data, but no, you can't see it."), or threw up flimsy procedural roadblocks ("If you want that information, you'll have to ask someone else first."), or dragged their feet for so long that the clock ran out ("Yes, we know we've already received two extensions, but we really do need more time"). And that does not account for the ways in which the bureaucracy itself stands as a gatekeeper to policy-making ideas.

In our leviathan federal government, it is impossible to monitor what the government is currently doing without a guide through the system. The only people who know, though, are bureaucrats themselves, little motivated to give an accurate accounting of their operations, thereby making it difficult or impossible to understand what problems exist and devise policies to solve them. The Trump presidency exposed these problems more than any previous administration had because the bureaucracy had never hated a president as much as it hated him.

After battling administrative state intransigence and sometimes outright revolt for nearly four years, President Trump was well aware that something had to give. In October 2020, he issued an executive order often referred to now as simply "Schedule F." Schedule F required agencies

to designate which of their employees were "in positions of a confidential, policy-determining, policy-making, or policy-advocating character." These employees would then be placed on Schedule F (Schedules A through E already existed), and because the order's language mirrored the 1978 Act exemption for some federal jobs, Schedule F employees would lose procedural protections against adverse employment actions that originated in the 1978 Act.

The idea was smart and its objective good. But Schedule F will not solve the problems embedded in the modern administrative state, and it cannot be the "centerpiece" of a Republican presidential administration's deep state reforms. It would be like making the cranberry salad the star of Thanksgiving Dinner; even if it's good, it's not the main event.

First, Schedule F looks good on paper but is virtually impossible to actuate because it asks the agencies to determine which employees should be added to it. Agency leaders do not want this reform because they do not want to lose the procedural protections that they and their colleagues enjoy. This was on display in the immediate response to Schedule F. Although only a short time remained in the Trump administration (more on that in a moment), no agency placed positions into Schedule F before President Biden revoked it. Only the Office of Management and Budget and the U.S. International Boundary and Water Commission took the preliminary steps necessary to designate positions and would have placed 415 and 5 employees, respectively, on Schedule F. Just 13 other agencies bothered to respond at all, seven to say they needed more time to finalize their analysis, and six to say that they would not be adding any positions to Schedule F.

This exposes some of the problems I've already described: If your reform of the federal bureaucracy must be carried out by the federal bureaucracy, then you can be sure that the reform will fail. This is especially true of Schedule F because the determination it asks employees to make (essentially, does a given position make or advocate policy or not) is itself a political question that depends on one's views of bureaucratic expertise. When officials at the Center for Disease Control recommended COVID responses like lockdowns and masking, were they merely stating expert views on the issues or were they making policy? When Anthony Fauci helped hand out funding for gain-of-function research in the Wuhan Labs, was he making policy or merely stating expert views on meritorious research projects? The answers to these questions likely depend on one's political views on a variety of topics, including the proper role of government and the fallibility of experts. The Left will say that these bureaucrats are simply charged with "following the Science."

Second, even if it were possible to fill Schedule F with a meaningfully honest list of policymaking and policy-advocating employees across all agencies, the reform would only address one part of one problem with the administrative state, the inability to take an adverse action against Schedule F employees. It would not recommit the federal government to merit-based hiring through civil service examinations; it would not shrink the bureaucracy or its reach; it would not place the bureaucracy under the president's direct control or restore the Constitution's balance of powers. Even the modest reform it does offer—the ability to take adverse action against the small number of newly-designated Schedule F employees more easily, up to and including termination—would be difficult to do in large numbers if an administration were so inclined. For example, the Trump administration never filled all of the political positions it was entitled to fill without the advice and consent of the Senate, sometimes leaving nearly 2,000 such positions open at once.

Third, Schedule F is not durable. Being created by executive order generally means it can be undone by executive order, and a Democrat president would surely do so (as Biden did). So if a future Trump administration spent years coercing agencies to finally designate Schedule F positions, the effort could be wasted just two years later. Plus, by announcing the reform in what turned out to be the waning days of the Trump administration, Republicans laid their cards on the table, and Democrats memorized them. A future administration should expect legal challenges to Schedule F reforms. Even if unsuccessful, such challenges would mire Schedule F in litigation for years, making it difficult to realize the reforms it promises within the span of a four-year term.

Fourth, it is also worth asking what the reform is that Schedule F actually promises. Schedule F has often been justified by its leading proponents as a way to ensure that deadbeat, no-show federal employees can finally be fired, a type of house-cleaning that even federal bureaucrats will acknowledge is necessary. If Schedule F is just cleaning up these dumpster fires, it is good but very modest indeed. If instead, the purpose is to inventory the vast network of policymaking bureaucrats operating free of chief executive control and then delete those positions en masse, the measure could go some way toward shrinking the bureaucracy and could be harder for Democrats to undo. But an action of such consequence would not be likely to succeed without my next point.

Fifth, Schedule F is a technocratic proposal. Solving for the problems of the administrative state requires more than tinkering within the system. The administrative state presents a crisis of self-governance, an attack on the Constitution itself because it betrays some of our nation's founding principles (separation of powers, checks and balances, a republican form of government). A problem of this magnitude cannot be solved without congressional action, which cannot happen without the buy-in of the American people who must want it. And to want it, they must understand it. Otherwise, the stories will write themselves: TRUMP PUTS EMPLOYEES ON LIST JUST TO FIRE THEM; THEIR CHILDREN STARVE.

If Schedule F is an executive-only sneak attack on the administrative state, then it will be too sneaky to succeed. Big reforms require laying the groundwork that allows the public to follow along. Americans will support big reforms if they know why big reforms are needed, but they will not know if no one tells them.

Some Republicans are doing this, to their credit, and with so much fodder provided by the bureaucracy in recent memory they have plenty of rhetorical ammunition. J.D. Vance and Vivek Ramaswamy have spoken often about the administrative state as the "deep state." Due in no small part to their influence, a generation of young Republicans are coming to see administrative state reform as the central issue of the time. Vance has said, "We have a major problem here with administrators and bureaucrats in the government who don't respond to the elected branches. If those people aren't following the rules, then, of course, you've got to fire them, and, of course, the president has to be able to run the government as he thinks he should." Ramaswamy has described his "dream," "that the people who we elect to run the government ought to be the ones who actually run the government. Not the managerial bureaucracy in three letter government agencies." Yes and yes.

I understand and applaud the originators of Schedule F who thought of a way to use the president's existing power to try to make a dent in the administrative state. The idea is creative, and I wish it had not been debuted at such an inopportune time, when its potential could not be realized and the element of surprise was lost. I am skeptical whether it can be resuscitated for a second attempt.

More importantly, I know that Schedule F is not and cannot be the silver bullet reform that Republicans advance in a second Trump administration. Schedule F is not a solution to the administrative state, and it stands a strong likelihood of becoming a major distraction to achieving more meaningful reforms. Setting Republican sights on Schedule F is like going to the Grand Canyon to see the view from the parking lot. If Republicans focus on Schedule F, Americans will miss the bigger picture, and will also miss their one, best shot at groundswell support for meaningfully diminishing the administrative state.

Now is not the time to tinker with a technical change, moving employees around on lists that are supposed to carry bureaucratic significance. Now is the time to dismantle the administrative state. Shutter an agency (or many); eliminate public employee unions; repeal civil service protections that insulate bureaucrats from presidential control.

And just downsize. In his recent piece for Tablet magazine titled "Twilight of the Wonks," Walter Russell Mead describes how "bureaucracy is, from an information point of view, a primitive, costly, and slow method of applying algorithms (rules and regulations) to large masses of data." With improvements in artificial intelligence and machine learning, Mead predicts that "drastic reductions in the size of both public and private sector bureaucracies will be coming." If, as the Left says, bureaucrats are opinionless automatons just pushing paper, administering benefit formulas, or keeping planes in the sky, then every effort should be made to replace them with computers and technology that will do the job faster and cheaper.

The administrative state presents the single greatest crisis facing our county, a crisis of constitutional magnitude. The Left agrees that a crisis exists but believes the problem is the proposal to reform at all. The Left's reaction to a change as modest as Schedule F is pearl-clutching and "destroying democracy" talk, because even a minor change threatens their citadel of power within the executive branch. That's not a reason to pull back, it is a reason to push harder.

The idea that 2.2 million unaccountable, unelected bureaucrats should decide for themselves how best to execute the laws is an affront to our Constitutional order and to the millions of Americans who are subjected to their anti-democratic bureaucratic tyranny. This is a moment for bigger changes. If not now, when? If not Trump, then who?

Theo Wold serves as the director of the Administrative State Project at the Claremont Institute. This article first appeared in the 2024 May/June Issue of the American Conservative.

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