

Editorial: California's continuing pension woes

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Sometimes it takes a worst-case example to show that pension reforms in California remain elusive.

For years, critics have railed about spiraling public employee pensions, which dwarf retirement benefits for most private sector workers – those few who are fortunate to have any.

In 2016, state employee pensions cost taxpayers \$5.4 billion, according to the state Department of Finance.

That's more than 30 times what the state paid for retirement benefits in 2000, before the effects of a new pension law kicked in. The law made 200,000 civil servants eligible to retire at 55 – and in many cases collect more than half their highest salary for life. CHP officers were allowed to retire at 50 and receive as much as 90 percent of their peak pay for as long as they lived.

Read the whole story

Opinion: Time to end Calif. public pensions

By Daniel Borenstein, Bay Area News Group

Last month, I wrote that Gov. Jerry Brown's 2012 attempt at

pension reform has failed.

CalPERS, the nation's largest pension system, immediately responded on its website declaring that "Pension Reform Has Made a Difference," and claiming that my column "greatly oversimplifies and needlessly discounts the real impact" of Brown's plan.

Californians for Retirement Security, the unions' pension propaganda arm, led by labor leader Dave Low and political consultant Steve Maviglio, followed with a commentary proclaiming that "these reforms are producing savings now, and will continue to do so for decades."

Come on folks. Let's get real.

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Opinion: Second homeowners as villains

By The Economist

When owning one home seems like a struggle, resenting those with two comes easily. Second-home ownership is uncommon: in 2010 around 4 percent of houses in America were second homes; 1 percent of English homes are second properties of people living in England. But they still arouse passions.

Norway and Denmark limit second-home ownership, and in 2012 the Swiss voted to restrict second homes in places where they were most common. Australia has also clamped down on foreign purchases of residential property. Latest to the barricades is St Ives, a seaside town in south-west England, where a quarter

of houses are second homes or holiday lets. Last year 83 percent of St Ives's voting residents decided that newly built homes should be off-limits to non-residents. It is unclear if the vote is enforceable. It is certainly wrong-headed.

In some cases antipathy to second-home ownership simply reflects an ugly dislike of outsiders; in others, the NIMBYism of second-home owners themselves, keen to preserve the exclusiveness of their holiday patch.

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Opinion: McClintock's words energize opposition

By Marcos Breton, Sacramento Bee

Barbara Smith never set to become anyone's definition of an "anarchist."

How subversive can one be when living in the bucolic community of Auburn? The county seat of Placer isn't where one goes to bring the down the government. Auburn is where one goes to retire, which is what Smith did with her husband, Roy.

Smith, 61, is a former Elk Grove school teacher. Roy is a retired military man who also wore a badge in the California Highway Patrol. She is in four – count 'em, four – book clubs. She only joined Twitter in January, and the photo she picked for her profile highlights her sweet smile and "mom" glasses.

But an "anarchist" is what Smith has become, at least in the eyes of Rep. Tom McClintock. During the past six weeks, she has been one of the hundreds of vocal people attending

McClintock's town hall meetings to express concerns about the policies of President Trump and McClintock's support of them.

Read the whole story

Opinion: Fundamentals of trade being ignored

By Jerry Nickelsburg

Every American knows that if you want to spend more than you earn, you either must liquidate some assets or you must borrow. And if you have been borrowing a lot, stopping will result in much less consumption.

Which is why it boggles the mind that experts in Washington, D.C., including the president's economic advisor Peter Navarro, fail to understand this fundamental principle as it applies to tariffs and border taxes. What they advocate—tariffs, currency adjustments, and other protectionist measures—is no different from Sisyphus pushing a rock up the hill only to have it roll back on top of him.

Trump's protectionists believe that by closing the trade gap and bringing manufacturing back, the U.S. will grow. Navarro's argument was presented in a Trump policy paper written with Wilbur Ross, "Scoring The Trump Economic Plan."

"Suppose the U.S. had been able to completely eliminate its roughly \$500 billion 2015 trade deficit through a combination of increased exports and decreased imports rather than simply closing its borders to trade. This would have resulted in a one-time gain of 3.38 real GDP points and a real GDP growth

rate that year of 5.97 percent.”

This is so far off the mark that it begs explaining why.

Trump claims China is a currency manipulator. Let’s suppose he convinces China to increase the value of the yuan. Presumably a yuan of higher value would make American goods less expensive for Chinese and Chinese goods more expensive for Americans. And a tariff on Chinese goods would presumably make them more expensive, discouraging imports. But trade’s realities would complicate those plans.

China’s purchases of American goods and services are mostly airplanes, machinery, earth-moving equipment, food, scrap, and education. Will the Chinese buy more airplanes if they are less expensive? Perhaps, but not many; it’s hard to integrate airplanes into an airline. Earth-moving equipment? That depends much more on China’s infrastructure needs—and not that much on Caterpillar’s price. Food? Yes, the Chinese will buy more, but that in turn will drive up food prices for Americans.

The point: It would take a very large increase in prices to bring trade back in balance from the Chinese side.

But couldn’t we sell consumer goods to Chinese households that they do not as yet buy? Yes, but in practice, for Chinese households to buy more goods, they would have to reduce their savings. That won’t be easy. China does not have the social safety net of the United States. So Chinese families save for retirement, to care for their parents, and to pay for their child’s education, and marriage. No matter how cheap North Carolina furniture is in Shanghai, Trump is trumped by the prospect of a grandchild.

What, you ask, about the U.S. purchases of Chinese goods? Yes, were the yuan to appreciate, these goods would become more expensive and we would purchase less. But a rise in the yuan would make textiles, toys, and electronics from Malaysia,

Vietnam, Indonesia and Bangladesh—all countries with lower labor costs than China—more attractive. We would not close the trade deficit—we would just make U.S. consumers pay to cover the costs of moving factories into Southeast Asia.

Simply put, tariffs or currency changes are only going to produce marginal changes to the trade deficit because you cannot tweet away the fundamental problem: Americans do not save enough.

U.S. households on average save a bit over 5.5 percent of their disposable income. Add corporate savings and tax collections, and you have 18 percent of GDP available for investment and government spending. Investment accounts for most of that 18 percent—approximately \$3.1 trillion. The rest is government.

And the rest is not enough to pay for all federal purchases and transfers. In fact, the U.S. is more than \$400 billion short annually of the money it needs for federal spending. Where do we get that money? From people who sell more than they consume—like the Chinese. If we didn't have a trade deficit, we couldn't cover our spending.

Remember Navarro's argument. He says that economic growth will solve our problems—and cover the deficit. To achieve an additional \$1 trillion of private saving to cover a \$1 trillion deficit by 2023, GDP would need to double. That would require a sustained growth rate of 10.2 percent. Ludicrous.

Is there another way? Yes, you could, like Argentina, raise tariffs to make imports prohibitively expensive, disrupting globally dependent industries and sending the economy into a tailspin.

Appropriate economic policy is to institute long-term reforms boosting domestic saving and reducing the federal deficit. Bellicosity and tariff mongering are not long-term reform. They are an exercise in futility.

Jerry Nickelsburg, an economist at UCLA Anderson School of Management, writes the Pacific Economist column.

Opinion: Betrayal by EDC Board of Supervisors

By Larry Weitzman

El Dorado County has two main priorities. No. 1 is public safety and No. 2 is maintaining the 1,000 or so miles of county roads. Everything else is a distant third.

For several recent years, the county would put about \$2 million a year from the General Fund to road maintenance. In fact, about 15 years ago, voters passed Measure H which allocated about \$4 million to road maintenance from a portion of one-half of vehicle registration fees. But after a few years, through legislative machinations, Sacramento took away the 60 percent voter approved Measure H. But the Board of Supervisors still continued to fund road maintenance from the General Fund as described above. All General Fund road maintenance stopped with carpetbagger CAO Larry Combs when he recommended to the Board of Supervisors that we stop doing that in order to balance the budget.



Larry Weitzman

And then it rained. It poured. And it hasn't stopped for about two months. I pictured Governor Moonbeam sailing away from the capital in an ark with a bullhorn yelling we are still in a drought. Placerville's total rainfall is already over 57 inches where the annual average is 38 inches. And now our roads are literally failing apart from lack of maintenance and ditch and culvert cleaning.

As reported in the *Mountain Democrat* on Feb. 24, Grizzly Flats residents showed up in force to plead their case for fixing their "deplorable" roads at the Feb. 7 and Feb. 14 board meetings. The board's response was equally deplorable.

Board Chair Shiva Frentzen said straight out during the Feb. 7 meeting, "We don't have money for Grizzly Flat or other roads."

At the Feb. 14 meeting Frentzen tried to mollify the Grizzly Flat residents by saying, "One million dollars is earmarked for Grizzly Flat, but we need to find a source for that funding" meaning what she said in her first statement, "We don't have the money."

No one asked the big one-word question, "Why?"

First EDC has the money, it's in the annual contingency fund which has millions of dollars and in other places. This is a public emergency. People need roads for police, fire, food, emergency, ambulance and so on. It is a public safety issue. This problem should be fixed forthwith and if CDA can't do it, hire an outside contractor who would probably do it faster and cheaper.

Second, while our roads decay, EDC is spending \$12 million or more fixing their own digs. The occupants, EDC employees – including Board of Supervisors – were complaining about the HVAC system, not enough heat or maybe a poor A/C system. Grizzly Flat may have no heat during this winter as propane trucks can't service their areas. Why isn't there a road

repair emergency fund? And it's not just Grizzly Flat, it's all over EDC from El Dorado Hills to South Lake Tahoe.

The answer to the above question "Why?" You can blame it on this and prior boards starting with CAO Terri Daly who recommended the county give its miscellaneous employees a 15 percent raise, which has cost EDC over \$60 million over the last 3½ years. And then there is the pension contribution problem growing into an out of control nightmare, but it's not a dream, it's real. There has also been an expansion of the employee base. EDC is currently in negotiation for a new contract. Any raise given will only exacerbate EDC's out of control employee spending, which now accounts for 79 percent of the net county cost. It doesn't take a rocket scientist to understand where to cut spending. Wait a minute, there is a rocket scientist on the board.

The problem is not revenue; that has grown every year. The problem is spending. CAO Don Ashton needs to continue to make cuts, like he did in eliminating two highly paid positions in the CDA a couple of weeks ago. But that is not the board's solution. As with most governments, the allegedly conservative board wants to raise taxes, increase in the transit occupancy tax, the waste franchise fees which will raise costs to the end user and finally increase in the sales tax. Cutting spending doesn't have a chance. Board members are looking to raise our taxes because they already squandered the taxpayers' money and they know where and how to get more.

The board thought they found a pot of money on Sept. 27 when they voted to increase General Fund road maintenance by stealing money from the MC&FP. My column shortly afterward said they couldn't. The county counsel at that same September meeting said the board could get the \$2 million. County counsel was wrong, but that didn't stop the board from giving him an \$8,500 raise. It is almost funny how the board rewards incompetence and mediocrity.

Last March 2, the El Dorado County Transportation Commission (EDCTC) met to support a change to the California Constitution through Senate California Constitution Amendment 6 which would reduce the threshold from 66.7 percent to 55 percent (making passage easier) which would allow cities, counties and special districts to raise revenues for transportation projects. In other words, the transportation commission voted to support making it easier to raise taxes just as the EDC board originally voted to support the state Legislature in raising gasoline taxes. At a recent county taxpayer's association meeting, board member Michael "I never met a tax I didn't like" Ranalli when accused of voting for five new taxes actually responded with political double talk by saying "we only voted to explore" the possibility of new taxes and we only voted to "study" the idea. He is really saying, "I am just coveting your wallet, but I haven't stolen it yet." Ranalli is up for re-election next year.

The EDCTC is comprised of four EDC Board of Supervisors, John Hidahl, Ranalli, Brian Veerkamp, and Frentzen and three Placerville City Council persons. Only Frentzen voted no, but our three other EDC board members voted to make it easier to raise taxes. Hidahl might be understandable for his vote, he's a Democrat, but Ranalli and Veerkamp tell us they are conservative Republicans. Yeah sure, our board is loaded with a majority of tax and spend liberals and RINOs. And you thought they were conservatives.

EDCTC member Hidahl, the rocket scientist, said it should be 55 percent as we are a democracy. So much for being a rocket scientist as I advised Hidahl the USA is not a democracy where majority rules but a representative republic and the two-thirds rule is part of California's Constitution wherein, our state legislature requires a two-thirds vote to increase taxes and there are many situations where supermajorities are required for certain legislation or overriding a governor or presidential veto requires a two-thirds majority. The two-

thirds majority requirement is for the protection of the public, but when it comes to new taxes, the tax and spend Hidahl, Veerkamp and Ranalli it's damn the taxpayers, full speed ahead. They will have more money to waste. They have certainly done a great job of that so far.

Larry Weitzman is a resident of Rescue.

Opinion: Tahoe lacks world class transportation

By Joanne Marchetta

As a national treasure offering world-class recreation opportunities, Lake Tahoe is one of the most popular outdoor destinations in Northern California and Nevada. And sometimes, being popular has its challenges.

Tahoe's limited roadways become congested during times of peak visitation, when thousands of people who live in nearby metropolitan areas get in their cars to drive up to our small mountain communities. Suddenly, a road system designed for 55,000 residents must handle four to five times that many cars on an average busy day.



Joann
Marchetta

The strong winter storm earlier this March helped illustrate this congestion challenge. Heavy snow brought thousands of people to Lake Tahoe to enjoy a weekend of skiing. But that same snow closed Interstate 80 and Highway 50 on Sunday, when thousands of people were trying to drive home to Reno, Sacramento, or the San Francisco Bay Area. That large wave of simultaneous departures caused traffic to back up for hours in all directions, a situation made worse by the weather and road closures.

Traffic congestion is not a constant problem at Tahoe. But it is a challenge we must work together to solve, and one that cannot be solved simply by building bigger roads to handle more cars.

This congestion impacts more than the millions of annual visitors who want to come enjoy and appreciate the Jewel of the Sierra, and the quality of their experience. It impacts Tahoe's residents, their quality of life and ability to get to and from work and basic services, and the health of our environment.

The draft 2017 Regional Transportation Plan that TRPA has released for public comment identifies those times of peak visitation and the most heavily-visited destinations, and lays out strategies to improve our transportation system and better manage congestion. The plan builds upon the ongoing work by TRPA and many partners around the lake to create walkable, bikeable, transit-served communities; work that is starting to pay off as more people use trails and transit for shorter trips around town.

The plan focuses on three broad action categories—transit, trails, and technology—that can work together to provide new travel options from our community centers to popular recreation areas. We are focusing on this recreation travel because travel to recreation sites makes up nearly half of the vehicle trips made on any given day at Lake Tahoe.

By filling connectivity gaps in Lake Tahoe's network of bike and pedestrian trails, expanding transit service and frequency, and launching new applications and tools to provide people with real-time information about congestion, parking availability, and non-automotive travel options, we can make the transportation system more efficient, give people more convenient options to get to their destinations, and help inform and promote better travel decisions.

We cannot solve Lake Tahoe's traffic congestion challenges overnight, or with any one agency or local government working on its own. TRPA, local governments, and road departments are working together to improve the transportation system and transit services here at Lake Tahoe. We are also working with neighboring metropolitan areas to improve inter-regional travel options, and with communities throughout the Sierra Nevada to address the impacts of recreational travel.

If we all join forces, Lake Tahoe can make real, continued progress over the next five years. By working together carefully to make maximum use of reasonably foreseeable funding, we think that partners around the lake can provide free-to-the-user transit service; increase transit frequency from 60-minute to 30-minute intervals on all main routes; seamlessly connect transit services on the North and South shores; provide new or enhanced transit service to Meyers and Truckee; provide new transit service to heavily-visited recreation sites at Emerald Bay, Echo Summit, and Zephyr Cove; enhance limited inter-regional transit services to and from Reno and Sacramento; and build at least 20 miles of new shared use paths for bicyclists and pedestrians.

These improvements will not solve our congestion problem. But they will be a major step forward and make it much easier for people to travel around Lake Tahoe without driving a personal car.

And with seamless, frequent, and reliable transit service and

a well-connected trail network throughout the Lake Tahoe Region, we will be in a much better position to pursue new funding needed to work with Reno, Sacramento, and the Bay Area to provide new transit services to Lake Tahoe from those growing metropolitan areas. Work on that front is already well under way.

Building the world-class transportation system Lake Tahoe deserves will take time, collaboration, and carefully phased improvements. It will also take a change in everyone's behavior and a willingness to embrace non-automotive travel. As one of the many locals stuck on Highway 50 a few Sundays ago, I found myself remembering the old saying: "We are not stuck in traffic, we are traffic."

Joanne Marchetta is executive director of the Tahoe Regional Planning Agency.

Letter: Warm room's successful open house

To the community,

Tahoe Coalition for the Homeless hosted over 100 people at the second South Lake Tahoe warm room open house event on Feb. 22. We were proud to honor City Councilwoman Wendy David for her participation in the establishment of the warm room.

David was facilitator of the Lake Tahoe Collaborative when a committee was established to create a vision and a plan for the warm room. Her support through nonprofit collaboration and in her role at the city of South Lake Tahoe has been greatly appreciated by all at TCH who have had the honor to work with

her.

“I am so honored that you believe my participation in supporting the warm room was worth recognizing. I believe that our community is acting like a community should right now in having so many entities supporting our most fragile population, especially those without a home and a place to rest their heads,” said David.

The open house also featured TCH’s community partners, who shared how they work with the homeless in the South Shore. In attendance were representatives from Bread & Broth, El Dorado County Mental Health Department, Live Violence Free, and Tahoe Youth & Family Services. Social worker Barbara DeGraaf was also present to explain her role in the warm room.

“Volunteer social workers seek to link our guests with any services available to help address their homelessness. Our guests face multiple barriers to obtaining affordable housing, but we attempt to work together to develop a plan that includes small, achievable steps,” said DeGraaf.

TCH appreciates the dozens of individuals who celebrated our “share the love and bring a blanket” theme and donated blankets, food, toiletries, and other warm room supplies. Special thank you to Jenn Lay of Chef Jenn’s Creations and to Caranina Palomino for providing delicious food for the occasion.

The South Lake Tahoe warm room is an emergency winter shelter providing warm beds and access to resources to individuals experiencing homelessness. The warm room’s tentative closing date will be April 15. Donations of supplies are still needed, as are funds for operating the warm room again in 2017-18. Contact us at tahowarmroom@gmail.com or at 775-573-0822 or through our website at tahoehomeless.org.

Marissa Muscat, Lake Tahoe warm room

Opinion: Time for real college assessment

By James R. Pomerantz and Daniel Oppenheimer

How do we know how much we learn in college?

If you search for an answer to this question, prepare to be disappointed. Popular college rankings such as U.S. News & World Report's are based on subjective judgments of schools' reputations and on the difficulty of gaining admission. Rarely, if ever, are rankings based on direct, value-added assessments comparing how well students perform when they graduate college with how they performed when they first enrolled.

It may seem odd that our colleges and universities—which study complex topics ranging from subatomic particles to the Big Bang—would have so little data with which to assess their own effectiveness. What might cause these institutions to be so reluctant to pursue information that would help them understand their own impact on students?

Some colleges may fear that the results will prove to be embarrassing. Some may argue that college skills such as writing proficiency cannot be measured accurately even though schools assign their students grade point averages with three digits of numerical precision.

But the biggest reason why college effectiveness doesn't get measured is that schools, policy makers, parents, and students take for granted that undergraduates' skills improve during college. This assumption of improvement may seem intuitive, but it is not backed up by much in the way of evidence. In

studies described in the book "Academically Adrift," more than 45 percent of college students showed no improvement in critical thinking during their time in college.

It's time for a wakeup call. If schools aren't measuring student learning, we cannot know whether students are actually learning.

Along with colleagues, we recently published the results of a nine-year study designed to answer whether students finishing college write any better than they did when they first enrolled. There is more to college than writing, but we studied writing because it is one skill that students, schools, and employers see as critically important. We selected a small private university in the Southwest as our test case, and randomly sampled students for testing. We modelled our study as closely as possible on randomized clinical trials, the same standards used to determine whether new medicines have their intended health benefits. We tested students both cross-sectionally (comparing first-year through fourth-year students on a single day) and longitudinally (tracking specific students over the course of their undergraduate years).

There was good news. We found that students improved their writing scores, as judged by expert assessors of writing who were blind to the identities of the students and to the purpose of the study. That improvement was approximately 7 percent from the first to the fourth year of college, a statistically significant increase. The same degree of improvement was found in persuasive and expository writing, for the cross-sectional and longitudinal data, for male and female students, and for humanities/social science majors and engineering/natural science majors.

Our findings also suggest an opportunity for improvement: Now that we have a benchmark, we can test new instructional interventions to see how much they improve upon (or prove

worse than) the status quo. While 7 percent improvement is not trivial, we would hope for better. Schools need to engage in value-added assessment of their students. Without such testing, we will be navigating blind.

For college administrators who believe that studies such as ours are too expensive and time-consuming, we encourage them to think again. Universities spend countless hours and resources developing curricular requirements, establishing tutoring centers, and otherwise attempting to improve undergraduate instruction. But they typically fail to establish a formal assessment system to determine whether those interventions are effective.

Studies like ours are simple and inexpensive compared with other common initiatives on campus. And such studies are the only way we can know whether schools are accomplishing their goals.

We hope that universities will begin testing their entering students, not just on their writing skills but on other critical skills as well, so that four years down the road they can see whether their teaching has made a difference. When you bother to collect the data, before-and-after-college comparisons are not that hard to make, and they can make a big difference.

James R. Pomerantz is a professor of psychology at Rice University and Daniel Oppenheimer is a professor of psychology and management at UCLA.

Opinion: California will be short of water forever

By Jay Famiglietti and Michelle Miro, Los Angeles Times

Over the last 18 months, California has experienced one of the driest, wettest and wildest rides in its recorded water history.

As the 2015-16 water year opened in October 2015, drought had driven the state's reservoir and groundwater levels to all-time lows. Entire towns were left without water. Reports of lakes turned to puddles, of wells running dry by the thousands, and of the cracked ground above depleted aquifers sinking several feet a year dominated state headlines.

Then came the deluge. Since last fall, a steady stream of "atmospheric river" storm systems has been battering the coast, the Sierra Nevada and almost everywhere in between, restoring reservoirs and the snowpack to their highest points in years.

[Read the whole story](#)