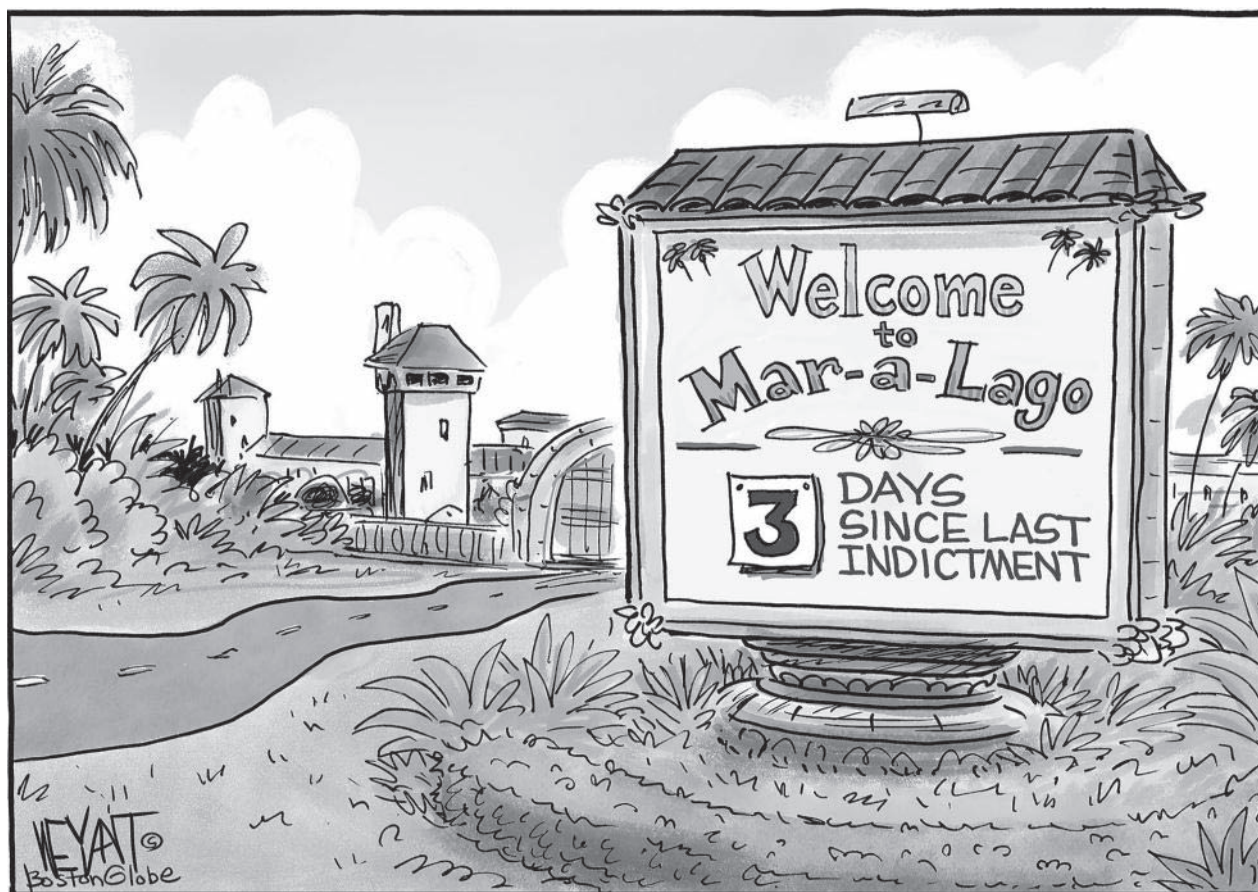


# OPINION

“Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances.”

FIRST AMENDMENT TO THE U.S. CONSTITUTION



**Connecting California**  
Joe Mathews  
Columnist

## In 2049, Texas surpasses California

*Austin, 2049*

Today, state officials celebrated new federal data confirming that Texas is America's greatest and most important state.

The U.S. Census Bureau released estimates showing that the Lone Star State, with more than 40.3 million people, had surpassed California, stuck at 40 million people for 30 years. As Texans boasted about their new status — “We are the greatest civilization of the greatest country on earth,” declared 79-year-old U.S. Sen. Ted Cruz, now in his seventh term — Golden State leaders issued well-practiced denials.

“Population isn't a true measure of greatness,” protested California Gov. Meghan Markle. “California is still the land of the grandest dreams, of the most embarrassing celebrities, of \$10 million two-bedroom starter homes.”

But longtime observers of the Golden State shrugged at Texas' triumph.

Some noted that, as early as 2023, estimates from demographers predicted that Texas would surpass California in population by 2050. In retrospect, 2023 was also the year it became obvious that California would willingly cede national leadership to Texas. California signaled its surrender by failing to respond to a startling drop in population.

California's population, which had been growing since statehood until the COVID-19 pandemic, lost more than a half-million people between 2020 and 2022. Many pinned the cause on COVID deaths, and Californians leaving the state. But deaths and departures were only part of the population decline. The bigger problem was the lack of new Californians. The birth rate fell rapidly. Immigration plummeted too. Americans all but stopped moving to California, with its rampant homelessness and expensive housing.

In a saner time, such a rapid reversal of population in a state synonymous with arrival — “California Here I Come” — would have been a crisis. State and local governments would have launched programs to encourage birth and attract new Californians. Budget surpluses could have been devoted tax bonuses for starting families, loan forgiveness for California university graduates who settled in the state, and to much more affordable housing. But 2023 was a time. People were depressed and anxious. Society was divided and in conflict. The public conversation, diminished by the decline of independent media, was dominated by debates about the past, and offered few visions of the future. So, instead of seizing on population decline as a reason to remake the state, Californians used it as an excuse to avoid doing hard things.

The denial was greatest in housing. Communities, to escape state pressure to build housing, argued that housing wouldn't be necessary because there would be fewer people. This was a cynical bit of illogic. But it worked. Politicians backed off pro-housing stances. And housing production continued its fall.

Population decline froze California in other ways. With the number of children dropped, school districts shut down schools, instead of expanding educational offerings and building new schools to draw more kids. The state's university systems, consumed by culture war controversies, did too little to counter declines in enrollment. Powerful environmental and labor kept fighting efforts to build new, climate-resilient infrastructure in water, energy, and transportation. California's message to the world was clear: If we don't build it, you won't come. And you didn't.

It wasn't hard to see this coming. Texas had been the nation's leader in exports and renewable energy since the early 21st century. In 2023, the state's governor bragged about California being the world's fourth largest economy. The state is in 14th place today.

Which begs a question. If California had focused more on population growth and the future back in the 2020s, could it have remained America's biggest and richest state? We'll never know, because California never really tried.

## State struggles to use tech in managing government



**CalMatters Commentary**  
Dan Walters  
Columnist

California may be the global capital of high technology, but its government is chronically unable to utilize that technology effectively.

That woeful reality is evident in State Auditor Grant Parks' annual update of state programs and agencies that he considers to be “high risk” due to their deficiencies.

The report, issued late last month, identifies some aspects of government previously designated as highly risky that are now functioning satisfactorily, such as transportation infrastructure, prison inmate health care and the teachers' pension system.

However, the list of poorly performing functions contains some long-term occupants, such as the implementation of technology.

The state's technology failings, moreover, are an aspect of the Employment Development Department's chronic problem with managing unemployment insurance benefits, another high risk activity, and contribute to the state's equally chronic inability to produce timely financial reports.

The tardiness and incomplete nature of the state's financial reporting processes are deemed high risk issues unto themselves, and are directly connected to technological shortcomings.

Although the state created the California Department of Technology, or CDT, and instituted new procedures in response to previous criticism about its lagging ability to design and build cost-effective information technology systems, Parks' new report continues to question how projects are managed.

“CDT's oversight of IT projects has yet to demonstrate significant improvement and will therefore remain on the state high-risk list,” Parks says, pointing out that earlier this year “we noted that CDT's oversight of IT projects has been ineffective at addressing risks on complex projects.”

During that audit, we reviewed CDT's oversight of four IT projects and found that although CDT identified deficiencies in three which required immediate corrective action, it had not used its authority to ensure that the problems were resolved.”

Parks zeroes in on what has become a poster child for IT failings, the Financial Information System for California. That awkward name was adopted to justify a catchy acronym: FI\$Cal. But state officials are apparently more adept at naming the program than in making it work.

“The scope, schedule, and budget of this nearly \$1 billion information technology project has undergone numerous revisions since it began in 2005,” Parks notes. “However, despite nearly two decades of continued effort, many state entities have historically struggled to use the system to submit timely data for the ACFR.”

ACFR is an acronym for the Annual Comprehensive Financial Report and is supposed to give officialdom, entities that do business with the state, and the larger public a reliable guide to the hundreds of billions of dollars that the state collects, spends and invests each year.

The ACFR, Parks points out, “provides an important resource for stakeholders, such as the state's creditors, to use when making decisions about the state's ability to borrow money affordably.”

Further, billions of dollars in federal grants are contingent on the state's timely filing of the ACFR for federal review.”

The 2020-21 report was 12 months late, Parks notes, and the 2021-22 reporting “is already past due.”

“The state's late financial reporting could also negatively affect its credit rating, which could increase the cost associated with borrowing,” Parks says.

“According to the state treasurer, the state borrowed \$5.6 billion in general obligation bonds in fiscal years 2021-22. Thus, even a small increase in the interest rate, as might happen with a downgraded bond rating, could cost the State millions annually in increased borrowing costs.”

The chronic shortcomings of FI\$Cal and other expensive IT programs aren't politically sexy, so they don't get the attention that culture conflicts and other headline-grabbing issues garner.

But they have real world impacts and, thankfully, the state auditor isn't letting them slide into obscurity.

*CalMatters is a public interest journalism venture committed to explaining how California's state Capitol works and why it matters.*

## Thank you, CVEP, for your efforts during tropical storm



**Your Turn**  
Thomas McWeeney  
Guest columnist

It is often said that crises bring out both the best and the worst in people. Fortunately, the incredible acts of kindness, charity and bravery that occur during a crisis far outnumber the more publicized actions of those who try to take advantage it. But all of society benefits from the selfless actions of businesses and individuals — often unrecognized — that rise to the occasion when the need is the greatest. Often among the least recognized, are the nonprofit organizations and their employees that selflessly give of themselves in times of crisis.

Here in the Coachella Valley, we are the beneficiary of a community-minded, nonprofit organization that has demonstrated its commitment to both the people and

the businesses of our community. The Coachella Valley Economic Partnership or CVEP, was established in 1994 to support business development initiatives and programs that stimulate job creation in key industries. Today, CVEP serves as an agent for local government and performs many thankless tasks that government cannot do for itself.

For example, this past weekend CVEP played a significant role in protecting area homes and businesses as Tropical Storm Hilary swept through the Coachella Valley. Showing tremendous foresight, CVEP leased space at the Palm Springs iHub Accelerator Campus to a company that manufactured military-grade equipment, including sandbags. Over time, the company ceased operations and CVEP assumed possession of over 100 pallets of sandbags. This translates into more than one-half million bags of sand.

When it became obvious that the Coachella Valley was likely to experience significant damage and flooding, and that sandbags would be urgently needed, CVEP reached out to all nine cities in the Coachella Valley, of-

fering these surplus sandbags at no cost. Once it was realized that the demand for sandbags far exceeded initial expectations, CVEP staff immediately began coordinating and facilitating sandbag pickups for seven local cities in the valley — something that the cities could not do on their own. No city was turned away, and all received as many sandbags as they requested.

In total, CVEP provided 213,350 sandbags on less than one day's notice at no cost to Coachella Valley cities to help them meet the needs of their constituents. While the monetary value of the donation is significant, the value derived by Coachella Valley residents and businesses — by way of property damage that was prevented — far exceeds face value. In so doing, CVEP has once again demonstrated how the quick and decisive action of nonprofit organizations can be of enormous help to our local governments.

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