

The Economy and Jobs in Rural California

Although I am passionate about getting voters involved, especially the silent majority and many of you have read my past op-eds, my true passion is small business promotion (where the bulk of private sector jobs are created) and reducing the size of our government by improving its efficiency. These beliefs are shared by many rural Californians I have met over the years.

My education and my experience as a builder do not necessarily qualify me to be an expert on California's economy and job creation, but I do understand the basic foundation on which economies grow and maintain balance.

Jobs are created by businesses and corporations, (private sector) or government (public sector). Private sector job creation is driven by revenue produced by sales, service, etc. (and hopefully profits). The public sector relies solely on tax and fee revenue. The more private revenue generated the more taxes and fees paid. Simply put, businesses make money and government spends it. Common sense (utilized so sparingly today) tells us that job creation must first be accomplished in the private sector.

Think of the public sector as part of the overhead of the private sector. The greater the overhead, the less profit for individuals and companies. Overhead in any company is essential for the proper operation and organization. However, when it becomes too large, it affects efficiency and profitability. If the California legislature was very serious about business development, hence job creation, they would eliminate the red tape and the bureaucracy that is so detrimental to its success. It is incumbent on our local and state governments to provide an environment that encourages this.

It is especially evident at the local government level. This is where the rubber hits the road as we say. Most codes and laws are enforced at the local level. The business and professions, health and safety, food and agriculture codes, for example, are introduced and passed by the state legislature. They are expected to be dutifully enforced by counties and cities. In many rural areas, regulation of these laws and codes has been enforced without consideration to rural conditions, financial implications or available professional resources. Other times they are interpreted incorrectly altogether.

A recent experience of mine with a local building department resulted in a limited extension of my original building permit. I was also told that the original permit would become invalid if the project (renovation of a 3,000 square foot commercial building) was not finalized within the 1 extension period (180 days) granted by the Building Official. The Building Official's letter further stated if I had not

requested and passed my final inspection the permit would be referred to the Code Enforcement Office without further notice. Keep in mind many projects require the approval of a third party (engineer, architect, or other professional) and if these professionals are not available, unwilling to work in a timely manner or cost prohibitive, regulatory agencies usually prevent rather than assist the project from going forward. Many projects I have undertaken have been done on a part-time basis, budgeted with finite funding, never expecting regulatory agencies to be so unreasonable.

These are, in my opinion, an obvious incorrect interpretation of the building code, a subsection of the California Health and Safety Code. For small business owners, individuals, owner-builders and would-be entrepreneurs, this becomes an added and unnecessary burden, resulting many times in failure.

We need regulations. What we do not need is over-regulation. I have always said it is not the regulations; it is the method in which governmental agencies choose to implement them. In the private sector, an alliance formed between competitors is called a business partnership. It certainly would work with businesses/individuals, and governmental regulatory agencies if our elected representatives and officials chose to provide the leadership to promote such partnerships.

I am also hopeful that the next generation of elected representatives and government officials will be knowledgeable and courageous and consider some of these onerous regulations, at best unnecessary, at worst detrimental, so that small businesses and individuals are not unduly burdened by them