

Changing Proscribed Allocations



[Location value](#) is created by the community, and the community, as value creator, has the objective right to determine the per capita way to spend the money.

This is done through [quadratic voting](#) and certain [constitutional constraints](#). However, the global community's idea of how the rent should be spent and the local community's idea of how it should be spent are often quite different. How is this resolved?

Reallocation applies only to how funds are used, not the level of funding. The constitutional requirement that per capita funds flowing through any branch of the [cellular democracy](#) are identical for all branches at that same level everywhere in the [Federation](#) protects the equal right of all persons to their share of the [rents](#).

Case Study

Saddleback Township, a level-3 district, receives \$25/capita/month for police protection and \$5/capita/month for fire protection. Saddleback consists of three villages and surrounding farms, with a total population near 15,000.

Crime is almost non-existent, while fire is a more serious problem. The small police department is fully staffed, well-equipped and well paid at \$315,000/month. Saddleback Township receives \$375,000/month for police protection based on its population of 15,000, leaving a surplus of \$60,000/month.

The fire department receives only \$75,000 per month. Such an allocation works far better in urban densities. To meet Saddleback needs, the firefighters organize as three collectives, one per village, employing a mixed use fire station and home, with non-firefighting spouses and kids doing chores, cleaning uniforms, making repairs, cooking meals, and dispatching.

Each collective has 10 firefighters with 30 residents total, including spouses, kids, and elders. Each collective receives \$25,000 monthly for salary and equipment, \$12,120 for housing (by virtue of mixed use), and \$7,200 for food (by virtue of mixed use). Even so, after firehouse costs and expenses, firefighters earn \$1,000/month, while police officers earn a minimum of \$2,500 per month (in a

world where food, housing, healthcare, education, and content are free, a tax-free pay of \$2,500/month is excellent).

An obvious solution reallocates the \$60,000 monthly police surplus to triple the salary of each firefighter. But that is potentially corrupt and not permitted. Reallocations cannot be used for wages, services, or unearmarked cash.

However, the \$20,000/station can be used to pay for engines, uniforms, and equipment, freeing more of the fire protection distribution for salaries. In addition, the new funds can be used to pay rent and utilities of the fire station, freeing up housing distribution that can be used for new utility services or renovation.

The Grandparent Procedure

To reduce the chances of graft and waste, a body sufficiently removed from the affected [district](#) must approve the change. This is constitutionally defined as the [cellular council](#) of the [grandparent dominion](#). In this case study, it would be the cellular council of the level-5 dominion containing Saddleback Township.

The Saddleback district council creates a violation of standards document ([VOS](#)) highlighting the movement of \$60,000/month from police department to the fire department. The VOS would also contain a short summary of the reason and an account map designating the requested flow of funds.

Once approved by the grandparent council, they will implement the account map using [VIP Treasury](#) tools. It should be rare that any non-prohibited request, having a well-specified account map, would not be approved. The procedure is meant to stop corruption, not interfere with efficient government.

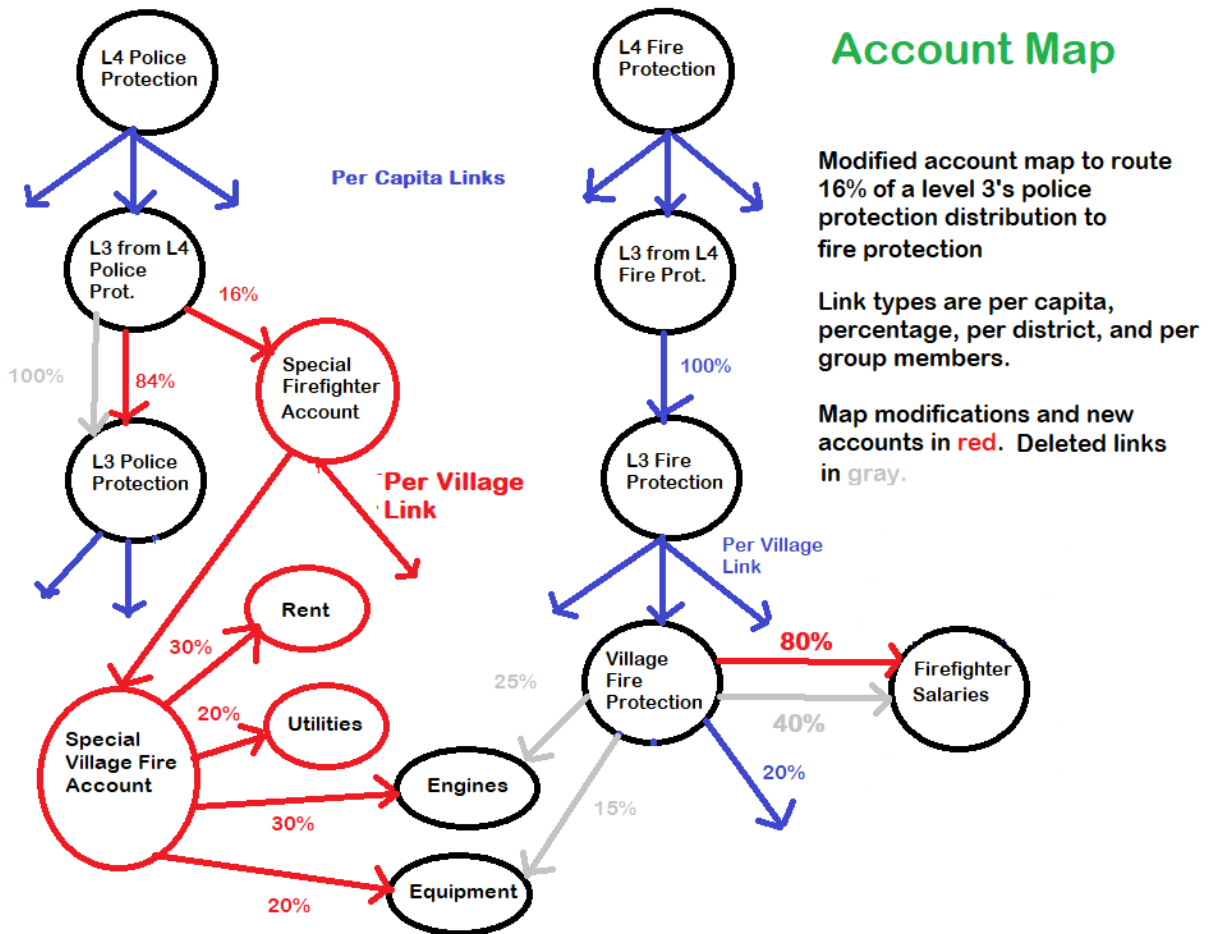
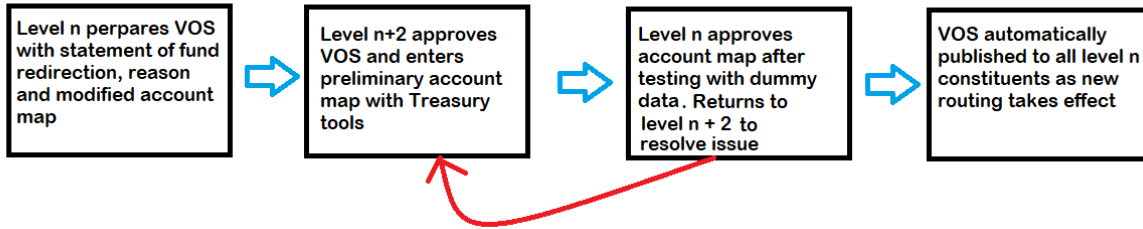
The grandparent council establishes changes to the account flow in a play money environment, cloned from the real accounts. The Saddleback council tests the account flow with play money. If everything is as expected, they move the new account flow into production.

At that time, the [VIP](#) will publish the full VOS to the VIP account of all Saddleback constituent individuals, families, collectives, or other constituent [sovereignties](#). The top new account siphons off 16% of the Saddleback monthly police distribution (\$60,000/\$375,000 for a population of 15,000).

This account is routed to three new village accounts, in turn routed to the rent, utilities, engine depreciation, uniform, and equipment accounts of the fire station.

A greater percentage of the fire protection distribution goes for salaries, bringing them up to \$2,000/month. Salaries are supplemented by new surpluses in the housing distribution.

Grandparent Procedure



Reallocating Personal Distributions

Distributions to individuals and families (level 0) include food, housing, and an insurance premium for a [self-insuring HMO](#). Because of the problems of adverse selection (only sick people would take the insurance) and moral hazard (turning

uninsured injured people away at the hospital door or denying uninsured prisoners healthcare is unconscionable), allocations for healthcare cannot be modified.

Reallocation of the housing distribution is governed first by contractual obligation. The portion of housing distribution that goes for apartment rent or mortgage payments cannot be reallocated, except to be used as a voluntary payment of ground rent.

Furthermore, no reallocation of the housing distribution can be approved if the individual, family, or collective is in arrears on utility bills. Housing distribution that can be reallocated are those funds that would otherwise be saved for remodeling, renovation, security deposit, down payment, or the full purchase of a new primary residence.

Generally, there are two lifestyles that can take advantage of housing distribution reallocation. Both of these lifestyles also lend themselves to reallocation of the food distribution. On one hand, there would be individuals living in a tent or disposable shelter on unrented commons land and living off fish, game, and vegetation. On the other hand, large families and collectives might have excess food and housing distribution due to economies of scale.

A variation on the latter are public service collectives where rent is covered by higher-level distributions, freeing up housing distribution for reallocation. This is the case with the Saddleback Township firefighters. The further one is from either of these extremes, the less likely food or housing distribution reallocation is applicable.

Every 30 families share a social worker trained in creating a [VOS](#) and account map for reallocating these funds. The next [universal copay](#) is surrendered as payment for the service.

Barring issues of child malnutrition, inadequate shelter, or the above rent/mortgage contractual obligations, the social worker will prepare the VOS. The VOS must be approved by the grandparent level-2 council, usually a rubber stamp. The approval of account flow changes by the family and the social worker move the changes into production.

Regardless of the level of federation, be it individual, county, or nation, reallocated funds must go to an earmarkable account. Just as the firefighters could not use the

reallocated funds for plural salaries, food and housing reallocations cannot be used for the following: wages, services, fines, bribes, addictive drugs, loan repayment (except mortgage on primary residence), gambling chips or tickets, or unearmarked cash.

Furthermore, the request will not be granted if it violates an explicit prohibition [of a 2/3 plurality of an enclosing dominion](#). These restrictions on reallocations are intended to be consistent at all levels of dominion.