

By **Jayson Welter**, *General Counsel & Corporate Secretary, UnitedAg*



Ag Council Legislative Conference attendees gather on the steps of the State Capitol.

Each year, UnitedAg's Advocacy Committee sets its legislative priorities with input from our membership. This year, we continued to focus on healthcare, PAGA, water, pesticides, labor and wage issues at the state level and to monitor immigration and H-2A regulations at the federal level. Additionally, with this being an election year, we will work to support candidates that will be allies in Sacramento and Washington D.C. We also continue to advocate alongside other great organizations such as the Agricultural Council of California and the National Council of Agricultural Employers. Together, we work to be your voice for healthcare and agriculture.

While in 2023 we saw over 2,600 bills introduced in California, in 2024 we have 2,124 bills introduced, still an unbelievable number. Today, over 800 bills remain active and have moved from their house of origin to the opposing house to move through policy committees. While much of the legislation we would oppose has not made it out of its house of origin, many concerning bills still continue to move through the process.

Last year, we worked on numerous strategies to support rural community hospitals that were struggling. Ultimately, these proposals were adopted by the Governor into a loan program to support these hospitals in need. While these efforts could not prevent the closure of Madera Hospital, we are hopeful that the hospital will reopen by the end of 2024. This year we continue to support legislation to improve the financial viability of our rural community hospitals. Senate Bill 1423 supports cost-based reimbursement to critical access hospitals for Medi-Cal. While UnitedAg pays commercial rates to these hospitals, the hospitals that serve many of our communities have a high percentage of Medi-Cal business which is hurting their profitability and threatens their survival. This bill would be a step in the right direction to support access to healthcare in agricultural areas. One clear challenge to this bill is the budget this year. Hopefully, this bill will be seen as good policy and address the root cause of the financial distress these hospitals are enduring. The bill has made it out of the Senate and is now in the Assembly Committee on Health. While introduced by Senator Dahle, bipartisan co-authors include Senators Alvarado-Gil, Grove, Hurtado, Jones, and Ochoa Bogh and also has Assembly coauthors Megan Dahle, Vince Fong, Gallagher, and Jim Patterson.

Also concerning to healthcare and Medi-Cal rates is the budget deficit. As it stands today, the budget deficit is approximately \$45 billion. The Governor and legislators continue to discuss options to solve the problem and it will obviously be a multi-faceted solution.

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However, most concerning to us is the involvement of the Managed Care Organization (MCO) tax. Last June, the MCO tax was renewed through 2027 and in the process Medi-Cal rates were increased. It was expected that going forward there was a commitment to keep this money collected from healthcare to be reinvested in healthcare in the form of increased Medi-Cal provider payments to continue to improve the stability of providers that see a disproportionate share of Medi-Cal patients. However, the Governor is now proposing to repurpose \$6.7 billion of the MCO tax to support the budget deficit.


Again this year, Assemblymember Bennett has introduced a water bill, AB 2079, that restricts well permits and requires public notice for application. Despite several amendment proposals Bennett has remained firm on this bill's language but we hope as it enters the Senate he may be open to amendment or, even better, the bill will fail. Assembly member Bauer-Kahan is also bringing back a bill from 2023, AB 460, which addresses illegal water diversions. This bill is currently under revision and will hopefully be drafted in a manner that achieves its goal without undue consequences for those who follow the current laws and regulations.

There are three bills related to water that we do support, two from Senator Caballero. **SB 139** extends the ability to divert flood flows for groundwater recharge and **SB 366** requires the administration to develop a long-term water plan for California. **AB 2060** from Assembly member Soria removes the 2029 sunset and extends the ability to divert flood flows for groundwater recharge.



UnitedAg's General Counsel, Jayson Welter (second from the left), met with California Senator Anna Caballero (District 14)

Last year, we discussed our concerns with the legislature overstepping DPR and not letting science drive the decisions and future use of pesticides. Again this year, we see another pesticide, paraquat, being targeted by AB 1963 (Friedman) to be banned despite no FDA or DPR scientific studies or findings to support such a ban. We continue to voice our concerns that DPR should rely upon scientific studies and findings prior to implementing any bans or limitations on products and hope the Governor will veto any bills that propose such action without scientific support.

To learn more about our advocacy efforts and upcoming events, contact Jayson Welter at jwelter@unitedag.org. 

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