

Fourth Quarter Advocacy Update

By Jayson Welter, General Counsel, UnitedAg



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 H2-A regulations at the federal level. Additionally, with this being an election year, we worked to support candidates that will be allies in Sacramento and Washington D.C.

As usual, it was an interesting year in Sacramento. This year there were 2124 bills introduced, slightly fewer than in 2023 but still an unbelievable number. 991 Bills made it to the Governor's desk with him vetoing 183 of them, a veto percentage of 18%.

We spent the year advocating for and against legislation, much of which was changed and amended in the last few days of session. However, one bill that was changed for the positive was AB 1963 which was originally proposed to ban Paraquat. The bill that was signed now requires a scientific review of the chemical by DPR by 2029. Senator Caballero's SB 366 was sent to the Governor's desk to create a threshold and target for water storage in California's water plan but the Governor vetoed the bill because it conflicted with his plan.

A bill which has received a lot of attention and miscommunication is SB 399. The new California law attempts to prohibit mandatory employer meetings regarding labor organizations known as captive audience meetings. Specifically, an employer is prohibited from subjecting or threatening to subject an employee to discharge, discrimination, or retaliation because the employee declines to attend an employer-sponsored meeting or refuses to listen to any communications with the employer where the


purpose is to communicate the employer's opinion about religious or political matters which includes labor organization. There continues to be a lot of questions about the boundaries of what an employer can and cannot say. Hopefully, there will be some clarity in the new year.

Last, another bill that we advocated for was Senator Dahle's SB 1423 which had bipartisan support in both the Assembly and Senate. This bill established cost-based reimbursement community hospitals when seeing Medi-Cal patients. This would prevent hospitals with a large number of Medi-Cal patients from operating at a loss. The good news is that this bill did get signed into law, however, the bad news is the implementation is delayed until 2026. Hopefully, the Distressed Hospital Loan Program can keep these struggling hospitals alive until this law is implemented.

It was an election year and UnitedAg was active in supporting candidates and evaluating ballot proposals. One proposal we spoke out in support of was Proposition 35. While many of our struggling rural hospitals have been helped by the Distressed Hospital Loan Program, it does not address the root cause of their financial struggles which, in most cases, is the inadequacy of Medi-Cal payments. Hospitals lose money when seeing Medi-Cal patients and our rural and agricultural communities have a high percentage of Medi-Cal patients, and a low percentage of patients covered by commercial insurance. Many of the hospitals in our rural communities are struggling, and our agricultural communities are already underserved and lack access to healthcare. To address the issue, Prop 35 creates a stable funding mechanism for access to healthcare, specifically, increased Medi-Cal payments.

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Prop 35 does not create a new tax, rather, it is an extension of an existing tax on health insurance companies. However, Prop 35 does have one very important improvement to the current tax, which is accountability. Prop 35 ensures that the money raised by the tax will be used for healthcare. Previously, the money raised by this tax was routinely used for other purposes not related to healthcare. Prop 35 ensures that this tax will continue and will be allocated for its intended purpose -- access to healthcare.

Below is a short summary of each Proposition that affected healthcare or agriculture:

- **Proposition 4:** Issue natural resources bonds to authorize the state to borrow \$10 billion to respond to climate-related disasters and help ensure clean drinking water. Passed 59.8%
- **Proposition 32:** Raise minimum wage to increase California's hourly minimum wage from \$16 to \$18, with annual adjustments for inflation. Failed 50.7%
- **Proposition 34:** Restrict spending by healthcare groups to require healthcare providers to spend most of their revenue from federal prescription discounts on direct patient care. Passed 50.9%
- **Proposition 35:** Permanently fund Medi-Cal Healthcare Services to extend a tax on managed health insurance plans, funding Medi-Cal healthcare services for low-income residents. Passed 67.9%

As for the election, UnitedAg was proud to support candidates who will fight for healthcare, agriculture and our communities in Sacramento.

Below are the candidates we supported this year and the outcome:

Alexandra "Ali" Macedo

Assembly District 33, *Won 62.9%*

Assemblymember Esmeralda Soria

District 27, *Won 53.9%*

Assemblymember Dr. Jasmeet Bains

District 35, *Won 57.6%*

Assemblymember Juan Alanis

District 22, *Won 56.2%*

Kristie Bruce-Lane

Assembly District 76, *Lost 46%*

Catherine Stefani

Assembly District 19, *Won 60.5%*

Joey Acuña

Assembly District 36, *Lost 48.2%*

Nick Schultz

Assembly District 44, *Won 65.9%*

David Tangipa

Assembly District 8, *Won 53.7%*

UnitedAg values its strong partnerships with advocacy leaders like the National Council of Agricultural Employers, the Agricultural Council of California, and Kahn, Soares & Conway. This year, we proudly joined the Alliance of California Farmers and Ranchers and its Community Fund. Together with these organizations and through our own efforts, we continue to champion agriculture and advance healthcare in our communities.

We encourage everyone to stay informed and engaged in the legislative process next year. For questions or to get involved, contact Jayson Welter at jwelter@unitedag.org.

