



Special Session Moves Funding for Los Angeles' Wildfire Impact

This week, the Assembly and Senate held Special Sessions to move quickly on budget-related legislation in support of communities devastated by the Palisades and Eaton fires in Los Angeles. The bills provide \$1 billion to augment state emergency response funding for emergency response, cleanup and recovery of areas affected by the fires, provide funding to the Division of the State Architect and other state agencies to expedite technical assistance to local educational agencies regarding efforts to rebuild and repair schools and accelerate access to \$1.5 billion in funding for greater preparedness against the growing threats of firestorms and windstorms and other natural disasters. Minority Leader Gallagher offered an amendment to increase the Governor's Proposed 2025 budget by \$1 billion, specifically for wildfire fuels mitigation statewide efforts which currently includes a \$200 million increase. The amendment was tabled, but the measures still passed from each chamber with bipartisan support. Staff Contact: Peter Ansel; pansel@cfbf.com

Cal Poly SLO Finds 64% Hike in Regulatory Costs for Lettuce Farmers

Costs of regulatory compliance for California ag producers continue to grow faster than their crops—or the prices they receive when they sell their crops. Lynn Hamilton, Ph.D., and Michael McCollough, Ph.D., of Cal Poly San Luis Obispo found in a study released on January 23 that producers' regulatory compliance costs have risen 63.7% since 2017 and a whopping 1,366% since 2006. While regulatory costs now constitute \$1,600 per acre or 12.6% of production costs for the Monterey County lettuce producer whose production costs the professors have been following for 20 years, farmgate value for their lettuce increased by a mere 0.37% from 2017 to 2024.

In *Two Decades of Change: Evolving Costs of Regulatory Compliance in the Produce Industry*, Hamilton and McCollough found increased compliance costs since 2017 from the Sustainable Groundwater Management Act (SGMA), the Irrigated Lands Program, equipment emissions regulations, and minimum wage and other workplace mandates increasing employment costs. Costs related to regulatory compliance for food safety, inspection audits, air quality, crop protection reporting, and employee health, safety, and wages were included in the study. The leading drivers of these regulatory cost increases were rising employee health insurance premiums and stricter water quality compliance standards.

California agricultural producers are justifiably proud to grow a third of the nation's produce with the highest wages, labor standards, workplace safety and health, and environmental protections in the world. But increasing compliance costs continue to squeeze California producers, constraining their ability to compete with lower-cost producers around the world. Staff Contact: Bryan Little; blittle@cfbf.com

Cal/OSHA Initiates Regulatory Process on Workplace Violence

The California Legislature passed SB 553 The California Legislature passed SB 553 (Cortese) in 2023, mandating virtually all California employers to adopt complex and detailed plans for preventing workplace violence and protecting those in the workplace from violence and threats of violence. The Legislature also mandated that the state's workplace safety agency, Cal/OSHA, propose additional workplace violence prevention regulations by December 31, 2025.

The agency kicked off that regulatory effort with an online stakeholders meeting on January 24. The agency's initial draft imposes even broader mandates than SB 553, including a requirement that employers furnish post-event trauma counseling that arguably would be more effectively furnished as a compensation benefit for injured workers. This is important because, while workers' compensation is already a significant cost item for California employers, the workers' compensation system has the benefit of providing no-fault coverage for employees' treatment and lost wages. Staff Contact: Bryan Little; blittle@cfbf.com

California Dairy Quality Assurance Program December Newsletter

The December 2024 edition of our CDQAP newsletter is now available for your use and distribution. An online version of the issue is available for download. In this issue, find highlights of what the partnership accomplished in 2024. Staff Contact: Steven Fenaroli; sfenaroli@cfbf.com

CARB Withdraws EPA Waiver on Diesel Truck Ban, Train Rules

The California Air Resources Board (CARB) has withdrawn its two remaining waivers that were being considered by U.S. EPA, which would phase out diesel trucks and require cleaner locomotives. President Trump has threatened to revoke all zero-emission rules, including the previously approved EPA waiver for the phaseout of all gas-powered cars by 2035. Staff Contact: Steven Fenaroli; sfenaroli@cfbf.com

DPR Holds Hearings on 1,3-D Regulations

The California Department of Pesticide Regulation (DPR) is currently developing new regulations and is partnered with the Office of Environmental Health Hazard Assessment, to potentially increase 1,3-D mitigation measures. Public hearings were held in Visalia, Salinas, and Chico. Farmworker activists overtook the Salinas hearing when several protesters staged a mock "die-in," lying their bodies on the ground near the podium. Farm Bureau gave public comment at the Chico hearing, which was not attended by activist groups. Formal comments will also be submitted this month and will highlight several elements of the proposed regulation that raise significant concerns including increased costs and operational complexities for growers. The proposed setback distances ranging from 100 to 500 feet,

depending on numerous factors, reduce the amount of usable land and could negatively impact crop yields, particularly for smaller growers. Staff Contact: Isabella Quinonez; iquinonez@cfbf.com



Fix Our Forests Act Passes in the House

Last Thursday, the U.S. House passed the Fix Our Forests Act (H.R. 471), a bill that CAFB has supported. The legislation, which passed in a bipartisan 279–141 vote, would simplify and expedite the environmental review process for forest management projects, promote better wildfire mitigation practices, limit the threats of frivolous lawsuits designed to delay such projects, and implement several other policies and programs aimed at supporting rural communities.

Rep. Jay Obernolte (CA-23) added the following commentary in a release by the Congressional Western Caucus: “By embracing modern technology such as real-time monitoring, AI-driven data analysis, and early warning systems, we can revolutionize how we detect and prevent wildfires. These tools, combined with streamlined processes... will allow us to act swiftly to reduce risks, protect homes, and ensure our forests thrive for generations to come.”

The bill now heads to the Senate for consideration. Staff Contact: Erin Huston; ehuston@cfbf.com

Senate Ag Holds Brooke Rollins Confirmation Hearing

A [confirmation hearing](#) for Secretary of Agriculture nominee Brooke Rollins was held late last week, and while they have not voted at this time, she is largely expected to clear both the committee and floor votes. Rollins previously served in the first Trump administration as the director of the U.S. Domestic Policy Council and then as the president and CEO of the America First Policy Institute following the 2020 election. While most of her career has been in policy, she graduated from Texas A&M with a degree in agricultural development and grew up on a family ranch in Texas.

Several issues were brought up at the hearing, including trade, workforce, SNAP, nutrition, and wildfires. Sen. Adam Schiff (D-CA), our state’s first senator to serve on the Senate Agriculture Committee since the 1980s, stressed the importance of addressing challenges related to wildfires, specialty crops, and ag labor. He also pressed the nominee to consider the potential for higher food costs and other issues should widespread deportations lead to workforce disruptions in the industry. Rollins committed to working with the Department of Labor on programs such as H-2A visa, ensuring the administration considers these issues moving forward. Staff Contact: Matthew Viohl; mviohl@cfbf.com

Congress Passes Immigration Detention Bill

Congress moved swiftly last week to pass the final version of the Laken Riley Act (H.R. 29/S. 5) in a series of bipartisan votes in both chambers. The immigration bill gives the Department of Homeland Security broader discretion to detain undocumented immigrants suspected of certain criminal offenses such as theft and burglary. The bill originated last year following the widely reported death of Laken Riley, a 22-year-old nursing student who was murdered by an illegal immigrant who had previously been detained and released by U.S. Immigration and Customs Enforcement.

While not directly ag-related, the legislation represents a legislative victory for President Trump, who campaigned heavily on border security and immigration. He is expected to sign the bill into law this week. Staff Contact: Matthew Viohl; mviohl@cbbf.com

New Administration Moves Quickly on Executive Orders

President Donald Trump wasted little time following his inauguration to move forward with a [number](#) of Executive Orders (EOs) aimed at several issues he campaigned on. This included everything from a federal employee hiring freeze and return-to-work requirements to declaring an emergency at the southern border. The latter of these has drawn significant attention, particularly as the Defense Department [ordered](#) 1,500 active-duty service members to the border for added security enforcement. In addition, there have been several reports of Immigration and Customs Enforcement (ICE) agents conducting operations in major cities across the country. While there have been reports that such operations have led to reduced worker turnout on some farms and ranches, it remains to be seen what the impact might be for the agricultural industry in the short term. Staff Contact: Matthew Viohl; mviohl@cbbf.com

Additional Confirmation Hearings Held

In addition to Brooke Rollins' confirmation hearing, several others relevant to our industry have either been scheduled or already completed. Former Rep. Lee Zeldin (NY), the current EPA Administrator nominee, passed in an 11–8 vote out of the Environment and Public Works Committee. Meanwhile, Interior Department nominee Doug Burgum (18–2) and Energy Department nominee Chris Wright (15–5) both passed out of the Energy and Natural Resources Committee.

Republicans hold edge in the Senate with 53–47—and only need to confirm nominees with a simple majority vote—all three are expected to be confirmed. Of note, Sen. Ashley Moody (R-FL) has already been sworn in to replace Secretary of State Marco Rubio. Staff Contact: Matthew Viohl; mviohl@cbbf.com

State Budget Breakdown

[The Governor's budget](#) for 2025 places an emphasis on addressing climate change, allocating substantial resources to resilience, mitigation, and sustainability projects across the state. Below are some highlights:

- **Climate Bond Implementation:**
 - \$2.7 billion allocated for the first year of the \$10 billion Climate Bond plan.
 - Focus areas include water and wildfire resilience and nature-based climate solutions.
- **Climate Smart Agriculture:**
 - \$37.6 million for the State Water Efficiency and Enhancement Program (SWEEP).
 - \$35.9 million for the Healthy Soils Program to sequester carbon and reduce emissions.
 - \$19.9 million for invasive species management projects.
- **Extreme Heat Mitigation:**
 - \$101.1 million for urban greening, fairground updates, and heat reduction projects.
- **Coastal Resilience and Sea Level Rise:**
 - \$176.7 million for projects safeguarding coastal communities and ecosystems.
- **Wildfire and Forest Resilience:**
 - \$325.7 million for forest health, multi-benefit projects, and fire prevention grants.
- **Water Resources, Supply, and Quality:**

- \$231.5 million for dam safety and climate resilience.
- \$183.2 million for water quality improvements and tribal water infrastructure.
- \$153.4 million for water reuse and recycling infrastructure.
- \$173.5 million for groundwater replenishment and long-term drought resilience.
- **Clean Energy Development:**
 - \$278.2 million for offshore wind port upgrades and grid reliability projects.
- **Outdoor Access and Biodiversity:**
 - \$190 million for the Statewide Park Program and \$176 million for land conservation.

Water Resources, Supply, and Quality

- **Flood Management and Climate Resilience:**
 - \$21.9 million allocated for Central Valley flood risk reduction, including urban multi-benefit projects and habitat protection.
 - \$173.1 million dedicated to broader flood management initiatives, such as levee and bypass improvements.
- **Dam Safety and Climate Resilience:**
 - \$231.5 million for the Dam Safety and Climate Resilience Local Assistance Program, supporting grants for dam repairs and safety enhancements.
- **Water Quality and Tribal Water Infrastructure:**
 - \$183.2 million for grants and loans to improve water quality, address groundwater contamination, and provide safe drinking water.
 - \$11.1 million specifically allocated for tribal water infrastructure projects.
- **Water Reuse and Recycling:**
 - \$153.4 million for infrastructure enabling potable and nonpotable water reuse, including treatment and storage facilities.
- **Groundwater Management and Resilience:**
 - \$173.5 million proposed for groundwater replenishment projects, stream and river improvements, and overall water storage enhancements to address long-term drought impacts.
- **Salton Sea Management Program:**
 - \$148.2 million to implement the Salton Sea 10-Year Management Plan, focusing on dust emission reduction and habitat restoration.
 - \$21.9 million from Proposition 4 for flood management and environmental improvements related to the Salton Sea.
- **Multi-Benefit Projects:**
 - Focused on integrating flood risk reduction with ecosystem improvements, recreation, and habitat protection, particularly in the Central Valley.

California Department of Food and Agriculture (CDFA)

- **Infrastructure Investments:**
 - \$242,000 allocated for repairs at the Meadowview Biological Control Office to enhance lab space for pest and disease management.
- **Climate Smart Agriculture:**

- Programs such as the State Water Efficiency and Enhancement Program (SWEET) and Healthy Soils Program continue to receive funding to support water conservation and emissions reduction.

K12 Program Highlight

Farm to School Program:

- The budget includes \$24.9 million for the California Farm to School Program. This initiative emphasizes equity, climate resilience, and healthier school meals by linking schools with local farms. It also expands the Farm to School Network and supports grant programs that promote the use of fresh, local produce in schools

Department of Fish and Wildlife

- **Habitat and Land Management:**
 - \$1.7 million for fisheries projects, focusing on ecological resilience.
 - Ongoing management of over 700 properties statewide for wildlife and ecological preservation.

Natural Resources and Land Preservation

- **Nature-Based Solutions and 30x30 Initiative:**
 - \$176 million for land conservation and wildlife connectivity projects.
 - \$79.9 million to regional conservancies for restoration and equitable access to nature.
- **Forestry and Fire Protection:**
 - \$1.8 billion over five years for Cal Fire infrastructure, including fire stations and new air attack bases.

Workforce Development

- **Regional Coordination for Career Education and Training:**
 - \$4 million one-time General Fund allocated to evaluate and expand regional coordination models aligning educators, workforce training providers, and employers.
- **Agricultural Labor Relations Board:**
 - \$1.9 million ongoing funding to address increased workloads and streamline the majority support petition process.
- **Career Passport Initiative:**
 - \$100 million one-time Proposition 98 General Fund for California Community Colleges to document skills and experiences through a state-validated transcript.
- **Wildfire Mitigation Workforce Training:**
 - \$9.1 million allocated for wildfire resilience and mitigation workforce training programs.

Transportation Infrastructure

- **Total Funding:** \$15.4 billion allocated for transportation projects.

- **High-Priority Transit and Rail:** \$7.7 billion for enhanced state, local, and regional connectivity.
- **High-Speed Rail Authority:** \$4.2 billion for the Central Valley Segment.
- **Goods Movement:** \$1.2 billion for zero-emission modernization at port terminals and improved rail and road transportation.
- **Zero Emission Transit Capital Program:** \$1.1 billion for supporting zero-emission transit systems.
- **Community Cleanup and Jobs:** \$25 million for the Clean California Program, including grants for cleanup and employment pathways.

Disaster Aid and Recovery

- **Office of Emergency Services (Cal OES):**
 - \$3.2 million for ongoing enhancements, including the Mather Security Checkpoint.
 - **Wildfire Mitigation:**
 - \$9.1 million for defensible space creation, structure hardening, and vegetation management.
 - \$39.3 million for forest resilience projects, including home hardening and reforestation.
 - **Community Disaster Recovery:**
 - Emphasis on coordination with federal and local entities for floods, fires, and other emergencies.

Category	2024–2025 Enacted Budget	2025–2026 Budget	Difference & Explanation
Deficit	\$46.8 billion	Balanced	Deficit eliminated through cuts, borrowing, and fund shifts.
Rainy Day Fund	\$22.2 billion reserves	\$24.5 billion reserves	+\$2.3 billion: Growth due to legislation requiring surplus allocations.
Climate Funding	\$6.6 billion reductions; fund shifts	\$7.6 billion total investments	+\$1 billion: Expanded reliance on GGFR, additional clean energy, and resilience funding.
Agency Changes	Major cuts to state operations	Restoration of key program funding	Restoration focuses on essential services like corrections.
CDFA Funding	\$150 million	\$170 million	+\$20 million: Emphasis on soil health and methane reduction programs.
Fish and Wildlife	\$600 million	\$620 million	+\$20 million: Expanded ecosystem resilience projects.
Land Preservation	\$1.3 billion	\$1.5 billion	+\$200 million: Increased wildfire resilience funding.

Workforce Development	\$500 million	\$550 million	+\$50 million: Focus on green jobs and advanced manufacturing training.
Coastal Resilience	\$300 million	\$350 million	+\$50 million: Increased protection for vulnerable coastlines.
Tribal Water Infrastructure	\$200 million	\$220 million	+\$20 million: Expansion of water systems for tribal communities.
Water Reuse	\$250 million	\$280 million	+\$30 million: Expanded recycling initiatives to combat drought.
Overall Water Initiatives	\$6.7 billion	\$7 billion	+\$300 million: Groundwater management and flood resilience.