

Date of Hearing: April 8, 2021

ASSEMBLY COMMITTEE ON LABOR AND EMPLOYMENT

Ash Kala, Chair

AB 1453 (Muratsuchi) – As Introduced February 19, 2021

SUBJECT: Environmental justice: Just Transition Advisory Commission: Just Transition Plan

SUMMARY: Establishes the Just Transition Advisory Commission (Commission) in the Labor and Workforce Development Agency (LWDA) until January 1, 2028 and would require the Commission to adopt and submit to the Legislature, by January 1, 2024, a Just Transition Plan that contains recommendations to transition the state's economy to a climate-resilient and low-carbon economy. Specifically, **this bill:**

- 1) Requires the Commission to consist of 13 members made up of the following:
 - a) The LWDA Secretary or secretary's designee.
 - b) The Secretary of the Natural Resources Agency or the secretary's designee.
 - c) The Chairperson of the State Air Resources Board or the chairperson's designee.
 - d) A representative from the Independent System Operator.
 - e) A representative from state building and construction unions.
 - f) A representative from a nonprofit environmental organization.
 - g) A representative from an environmental justice organization.
 - h) A representative from the oil and natural gas industry.
 - i) A representative from universities or community colleges with expertise in climate change.
 - j) A representative from universities or community colleges with expertise in energy sectors and energy workforce development.
 - k) A member appointed by the Governor.
 - l) A member appointed by the Senate Committee on Rules.
 - m) A member appointed by the Speaker of the Assembly.
- 2) Requires the Commission's Just Transition Plan to focus on minimizing burdens to workers in the fossil fuel industry and communities that face disproportionate burdens from pollution.
- 3) Requires the LWDA to convene the Commission by July 1, 2022 and conduct a public hearing to receive input on the development of the Just Transition Plan by September 1, 2022.

- 4) Requires the Commission, through a public process, to adopt a Just Transition Plan that includes all of the following:
 - a) Identification of legal, social, and economic barriers to realizing the goals of a just transition.
 - b) Identification of laws and regulations that could be used to overcome those barriers.
 - c) Recommendations on additional statutory and regulatory changes that are needed to overcome those barriers.

EXISTING LAW:

- 1) Establishes the LWDA to serve California workers and businesses by improving access to employment and training programs, enforcing California labor laws to protect workers and create an even playing field for employers, and administering benefits that include workers' compensation, unemployment insurance, and disability insurance and paid family leave.
- 2) Establishes the Transformative Climate Communities Program (TCC) to be administered by the Strategic Growth Council (SGC).
- 3) Requires the TCC to fund the development and implementation of neighborhood-level transformative climate community plans that include multiple, coordinated greenhouse gas emissions reduction projects that provide local economic, environmental, and health benefits to disadvantaged communities.
- 4) Requires the SGC to award competitive grants through an application process to eligible entities that demonstrate multi-stakeholder partnerships with local agencies, community-based organizations, labor groups, workforce investment boards, and other stakeholders.
- 5) Defines eligible agencies to include the following:
 - a) A Non-profit organization.
 - b) A community-based organization.
 - c) A faith-based organization.
 - d) A coalition or association of nonprofit organizations.
 - e) A community development finance institution.
 - f) A community development corporation.
 - g) A local agency.
 - h) A joint powers authority.
 - i) A tribal government.

- 6) Requires the SGC to award grants for projects that demonstrate community engagement in all phases and to make grant selections for plan development contingent on the implementation of one or more projects identified by the plan.
- 7) Authorizes the SGC to give priority to plans and projects that cover areas that have a high proportion of census tracts identified as disadvantaged communities and that focus on communities that are most disadvantaged.
- 8) Authorizes the SGC to award a grant over multiple years.
- 9) Requires that a plan, and a project that implements a plan to demonstrate it shall achieve a reduction in emissions of greenhouse gases in order to be eligible for funding under the TCC.
- 10) Requires the California Environmental Protection Agency (CalEPA) to provide assistance in performing outreach to disadvantaged communities and assessing the environmental justice benefits of project awards.
- 11) Requires the SGC to endeavor to identify additional public and private sources of funding to sustain and expand the program and fund technical assistance providers to assist in application development and project development and implementation.
- 12) Requires the SGC to develop guidelines and selection criteria for plan development and implementation of the program and to consider comments, if any, from local governments, regional agencies, and other stakeholders.
- 13) Requires the SGC to conduct outreach to disadvantaged communities to encourage comments on the draft guidelines and selection criteria from those communities and to consider whether eligible plans and projects avoid economic displacement of low-income disadvantaged community residents and businesses.
- 14) Requires the SGC after July 1, 2021, to provide additional points of preference for awarding grants under the TCC to jurisdictions that have adopted a housing element that has been found by the Department of Housing and Community Development to be in substantial compliance, as specified.

FISCAL EFFECT: Unknown

COMMENTS: Note: This bill is double referred to the Assembly Natural Resources Committee upon passage out of this Committee.

According to a report by the UC Berkeley Center for Labor Research and Education titled *Putting California on the High Road: A Jobs and Climate Action Plan for 2030*, “just transition” refers to integrated policy approaches offering protection, support, and compensation for displaced workers and communities in specific industries or regions. Worker displacement often occurs in resource intensive regions that lack overall economic diversity, when the region’s major industry is in decline or is projected to be due to the resource itself running out, or more broadly due to global trends in automation, globalization, and climate change. Just transition programs can offer resources for both immediate short-term assistance to workers and communities directly affected by these trends, and long-term assistance to communities and workers as they retool and adapt to a carbon-neutral economy.

Another report from an informational hearing held in August 2017 by the Joint Legislative Committee on Climate Change Policies and the Assembly Committee on Jobs, Economic Development, and the Economy suggests that although California has taken several positive steps toward a just transition, key opportunities to create a more inclusive process have been missed. The report further suggests that tracking and reporting outcomes has been challenging and has limited the ability of the Legislature and the public to engage in oversight and prioritization of activities that would help the state reach its climate change goals.

According to the author, “it is the intent of the Legislature to reaffirm its commitment to the above goals by creating a Just Transition Commission to bring stakeholders together to create a roadmap on how to pursue the State’s agenda to fight climate change while at the same time ensuring that the benefits of a statewide transition to clean, renewable energy are shared locally through the creation of local union and other middle-class jobs as well as to promote environmental justice by protecting communities that have historically suffered the most pollution impacts.”

Prior and Related Legislation

AB 680 (Burke) of 2021 would enact the California Just Transition Act which would require the Labor and Workforce Development Agency to update, by July 1, 2023, the funding guidelines for administering agencies to ensure that all applicants to grant programs funded by the Greenhouse Gas Reduction Fund meet fair and responsible employer standards and provide inclusive procurement policies. This bill is pending in our committee.

AB 398 (E. Garcia) Chapter 135, Statutes of 2017 required the CWDB to publish a report outlining recommendations on workforce development and training to help communities adapt to the economic and labor-market changes resulting from California’s transition to a carbon neutral economy.

AB 2722 (Burke) Chapter 371, Statutes of 2016 established the Transformative Climate Communities Program (TCC) administered by the Strategic Growth Council to disburse grants for projects that include multiple, coordinated GHG emissions reduction efforts that provide local economic, environmental, and health benefits to DACs.

SB 535 (De León) Chapter 830, Statutes of 2012 among other things, directed administering agencies to develop guidelines on maximizing benefits for disadvantaged communities (DAC) for GGRF grants and set aside 25% of those funds for DACs.

REGISTERED SUPPORT / OPPOSITION:

Support

None on file.

Opposition

None on file.

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