

Date of Hearing: May 12, 2021

ASSEMBLY COMMITTEE ON APPROPRIATIONS
Lorena Gonzalez, Chair
AB 1453 (Muratsuchi) – As Introduced February 19, 2021

Policy Committee:	Labor and Employment	Vote:	5 - 0
	Natural Resources		8 - 0

Urgency: No State Mandated Local Program: No Reimbursable: No

SUMMARY:

This bill establishes the Just Transition Advisory Commission (Commission) and tasks the Commission with developing and adopting a Just Transition Plan (Plan), containing recommendations to transition the state to a climate-resilient and low-carbon economy while protecting specified workers and communities. The Commission must submit the plan to the Legislature by January 1, 2024.

FISCAL EFFECT:

- 1) Costs of approximately \$450,000 annually to the Labor and Workforce Development Agency (LWDA), including the California Workforce Development Board (CWDB), to help develop and adopt the Plan (Greenhouse Gas Reduction Fund (GGRF)).
- 2) Costs of approximately \$620,000 annually to the Air Resources Board (ARB) to hire expert staff with programmatic and legal expertise to meaningfully contribute to the Commission (GGRF).
- 3) Minor costs, likely up to \$75,000, for the Secretary of the Natural Resources Agency to serve on the Commission (GGRF).

COMMENTS:

- 1) **Purpose.** According to the author, creating the Commission will “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.”
- 2) **Commitment to a Just Transition.** AB 398 (E. Garcia), Chapter 135, Statutes of 2017, required the CWDB to submit a report to the Legislature outlining a vision for integrating economic and workforce development into major climate policies and programs to help achieve the state’s major climate goals. The finalized June 2020 report included recommendations for a just transition, integrated policy approaches offering protection, support and compensation for displaced workers and communities in specific industries or regions that lack overall economic diversity. The Governor’s Executive Order N-79-20, issued September 23, 2020, directed LWDA and the Office of Planning and Research to

develop a Just Transition Roadmap by July 15, 2021, consistent with the recommendations in the AB 398 report, and expeditiously implement the roadmap.

However, a February 2021 Bureau of State Audits report found that ARB has not done enough to measure the economic benefits and jobs created by its programs, especially in disadvantaged and low- and moderate-income communities.

AB 1453 calls for a new Commission to adopt its own Plan. The 13-member Commission includes the LWDA secretary, Natural Resources Agency secretary, ARB chair and representatives from the Independent System Operator, state building and construction unions, environmental organizations and academia, amongst others. The Plan must be developed with public input and give special focus to minimizing impacts on workers in the fossil fuel industry and communities facing disproportionate burdens from pollution, through identification of statutory and regulatory changes needed to overcome legal, social and economic barriers to a just transition. The approach of an additional Commission makes sense since ARB's core mission is air quality and climate pollutant reduction.

- 3) **Related Legislation.** AB 680 (Burke) requires LWDA to update funding guidelines to ensure applicants to grant programs funded by the Greenhouse Gas Reduction Fund meet fair and responsible employer standards. AB 680 is pending hearing in this committee.

AB 794 (Carrillo) establishes labor and workforce standards that a manufacturer or fleet purchaser of new vehicles must meet to qualify for clean vehicle incentive programs. AB 794 is pending hearing in this committee.

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