
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anthony Portantino, Chair
2021 - 2022 Regular Session

AB 2204 (Boerner Horvath) - Clean energy: Labor and Workforce Development Agency: Deputy Secretary for Climate

Version: August 2, 2022

Policy Vote: L., P.E. & R. 4 - 0, E., U. & C. 11 - 2

Urgency: No

Mandate: No

Hearing Date: August 8, 2022

Consultant: Robert Ingenito

Bill Summary: AB 2204, upon appropriation by the Legislature, would establish the position of Deputy Secretary for Climate within the Labor and Workforce Development Agency (LWDA), as specified.

Fiscal Impact: This bill would result in an annual cost pressure of \$250,000 to LWDA to create and fund the new position.

Background: LWDA was created in 2002, and is the first cabinet-level agency to coordinate workforce programs. The Agency oversees seven major departments, boards and panels that 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, disability insurance and paid family leave. Budget documents indicate that LWDA currently has three Deputy Secretary positions.

Proposed Law: This bill, upon appropriation by the Legislature, would do the following:

- Establish the position of Deputy Secretary for Climate within LWDA, to be appointed by the Governor, for the purpose of assisting in the oversight of California's workforce transition to a sustainable and equitable carbon neutral economy.
- Require the Deputy Secretary to coordinate with relevant state agencies to track the progress of the state moving toward 100 percent clean energy, as defined, and create or coordinate programs with other state agencies to retrain and upskill workers for clean energy jobs and jobs in related fields.
- Repeal these provisions on January 1, 2046.

Related Legislation:

- AB 1634 (Boerner Horvath) would declare that it is the Legislature's intent to enact subsequent legislation to create the Office of Just Transition in LWDA to help communities and workers transition to carbon neutrality jobs that build a robust clean economy in which all Californians prosper. The Assembly Rules Committee has not referred the bill.

- AB 1966 (Muratsuchi) would declare that it is the Legislature's intent to subsequently amend this measure to include provisions that would establish the California Equitable Just Transition Fund to assist fossil fuel-dependent workers with wage replacement, wage insurance, pension guarantees, health care, retraining, peer counseling, and relocation support for fossil fuel workers who face layoffs due to closure of operations. The Assembly Rules Committee has not referred the bill.
- AB 680 (Burke, Chapter 746, Statutes of 2021), established the California Jobs Plan Act of 2021 which requires the California Air Resources Board to work with the LWDA to update, by July 1, 2025, 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.
- AB 398 (E. Garcia, Chapter 135, Statutes of 2017), among its many provisions, required 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.

Staff Comments: AB 398 (E. Garcia, Chapter 135, Statutes of 2017) required the California Workforce Development Board (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.

The enacted 2022-23 state budget includes \$315 million one-time General Fund for communities impacted by climate change, including the following:

- \$110 million General Fund over three years for a Goods Movement Training Center in Southern California, to support workforce resilience in the face of supply chain disruption and accelerate the deployment of zero-emission equipment and technologies.
- \$100 million General Fund over two years for the Department of Conservation to plug orphan or idle wells, decommission attendant facilities, and complete associated environmental remediation.
- \$45 million one-time General Fund (\$15 million annually from 2022-23 through 2024-25), to restart the California Workforce Development Board's Low Carbon Economy Workforce grant program.

- \$40 million one-time General Fund for a pilot program to address the needs of oil and gas workers facing displacement, designed to provide financial stipends that complement the State's existing unemployment services to minimize disruptions to the livelihoods of impacted workers and their families.
- \$20 million General Fund to fund a Well-Capping Workforce Pilot for Displaced Oil and Gas Workers, to support a workforce training pilot to train displaced oil and gas workers in remediating legacy oil infrastructure.

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