

Date of Hearing: April 8, 2026

ASSEMBLY COMMITTEE ON LABOR AND EMPLOYMENT

Liz Ortega, Chair

AB 2157 (Connolly) – As Introduced February 18, 2026

**SUBJECT:** Workforce development: Displaced Oil and Gas Worker Pilot Program: extension and assessment

**SUMMARY:** Provides that, upon appropriation by the Legislature, the Employment Development Department (EDD) shall contract with the University of California, Berkeley Center for Labor Research and Education (Labor Center) to complete an assessment of the Displaced Oil and Gas Worker Pilot Program (program) and make recommendations on policies the state shall use to turn the pilot program into a permanent program to support displaced fossil fuel workers. Specifically, **this bill:**

- 1) Makes findings and declarations regarding the hundreds of recent worker dislocations associated with oil, gas, and related industries.
- 2) Provides that, upon appropriation by the Legislature, the EDD shall contract within 120 days with the University of California, Berkeley Center for Labor Research and Education (Labor Center) to complete an assessment to:
  - a) Analyze the success of the pilot program; and
  - b) Make recommendations on policies the state shall use to turn the pilot program into a permanent program that is able to support displaced fossil fuel workers during the clean energy transition.
- 3) Requires the assessment to specifically analyze how the program met or did not meet the most urgent needs of the state's displaced oil workers during the pilot period by evaluating certain benchmarks that shall include, but are not limited to:
  - a) The number of workers supported.
  - b) The speed of service delivery.
  - c) The quality of comprehensive support provided in order to maintain economic well-being, including, but not limited to, career navigation, wage replacement, retirement assistance, wraparound services, access to training, and access to certifications.
- 4) Requires the EDD, as part of the assessment, to work with the Labor Center to develop a recommended program design for turning the pilot program into a permanent program that is able to support displaced fossil fuel workers during the clean energy transition. At minimum, the program design shall include all the following:
  - a) Review of best practices from other federal, state, and regional models in supporting displaced fossil fuel workers.

- b) Design of wage replacement and bridge to retirement strategies that can be incorporated into the structure of the program, in addition to individual assessment, career navigation, training, credentialing and skills certifications, wraparound services, and other in-demand services.
  - c) Design worker transition pathways for the most at-risk fossil fuel occupations by identifying industries best suited to utilize displaced workers' skill sets, and by developing policy and programmatic strategies to support worker transitions into these aligned industries statewide.
  - d) Design of criteria for future program grantees based on the assessment of pilot program success.
  - e) Estimate of how many workers in the state are likely to require the services provided by this program, potential costs, and the timeline of need.
  - f) Implementation recommendations for program structure and staffing to accomplish program objectives, including, but not limited to, strategies for leveraging stakeholder expertise on an ongoing basis.
- 5) Requires the assessment to be submitted, as specified, to the Legislature no later than 18 months after the execution of the contract.
- 6) Eliminates the sunset on the program.

**EXISTING LAW:**

- 1) Establishes the program, to be administered by the EDD, for the purpose of addressing employment dislocations associated with oil, gas, and related industries. Unemp. Ins. Code §9921(a).
- 2) Requires EDD to award grants to qualified applicants on a competitive basis using funds to be appropriated by the Legislature for purposes of the program. Unemp. Ins. Code §9922(a).
- 3) Requires the EDD to develop criteria for the selection of grant recipients that include, but are not limited to, all of the following:
  - a) Demonstrated experience working to ensure populations who have been dislocated from the labor market have access to quality jobs in their regions, with an emphasis on those transitioning or displaced from the oil, gas, and related industries.
  - b) Capacity to provide services to target populations and provide evidence of this capacity.
  - c) Experience in providing services, consistent with the objectives of the program, to the target population.
  - d) Support from partner entities includes, but is not limited to, local workforce development areas, education and training providers, tribal organizations, employers and faith-based organizations, business-based, labor-based organizations, including labor-management

partnerships and labor-community partnerships, cultural-based organizations, and services-based organizations.

- e) The specific purpose and goals of the grant award, the roles and responsibilities of the lead applicant and partner entities, a discussion of how funds will be used and success will be measured, the number of individuals who will be served, and the services to be provided to these individuals.
  - f) A description of how the grant proposal is designed to complement the work of, and integrate the individuals being served with, the broader workforce, education, and employment system within the proposed service area, and evidence that the proposal incorporates innovative strategies or proven practices for service delivery that will create pipelines to quality jobs, including temporary job creation, and income security for workers with an emphasis on career pathway programs aligned with regional labor market needs. Unemp. Ins. Code §9922(c).
- 4) Requires grant recipients to be evaluated using the following criteria:
- a) Ability to provide the services proposed in the grant to the number of individuals specified in the grant as evidenced by, among other things, whether the grantee has previously completed the same or similar services as proposed.
  - b) Ability of individuals to successfully complete relevant programming funded under the grant as demonstrated by relevant measures directly related to the purpose of the program.
  - c) Ability of individuals to transition or be integrated into the broader workforce and education system, as evidenced by employment and enrollment in relevant programs. Unemp. Ins. Code §9923(a).
- 5) Provides that eligible activities for the program and grant funds shall include, among other things:
- a) Labor market information.
  - b) High school diploma and GED acquisition.
  - c) Skills and vocational training that aligns with regional labor market needs.
  - d) Work-based learning, transitional jobs, internships, on-the-job training, work experience, preapprenticeship, and apprenticeships.
  - e) Stipends for trainees.
  - f) Mentoring.
  - g) Supportive services. Unemp. Ins. Code §9924.

- 6) Provides that the above provisions shall remain in effect only until July 1, 2027, and as of that date are repealed. Unemp. Ins. Code §9925.

**FISCAL EFFECT:** Unknown.

**COMMENTS:** The pilot program for displaced oil and gas workers was funded by a one-time allocation of 30 million dollars in the 2022 Budget Act. Since 2022, several organizations have been awarded grants, and the regional targets are Kern County, Contra Costa County, and Los Angeles County. In addition, the funding targets stable yet diverse industries such as renewable energy, high-technology, construction, advanced manufacturing, and nanotechnology. To date, 518 individuals have been served with the goal of helping over 1,700 individuals' total. Overall, about 27.7 million dollars has been awarded and of that, 4.8 million dollars has been spent by the awardees.

This bill requires the EDD to work with the Labor Center to turn the pilot program for displaced workers into a permanent program. The Labor Center has experience with studying the effects of refinery closures and authored a report<sup>1</sup> on worker experiences after the Marathon oil refinery closure in Contra Costa County in 2020. Based on worker interviews, the report made recommendations for ways to support displaced workers, many of which are imagined by AB 2157:

- Extended cash payments to maintain pre-layoff income levels
- Bridge-to-retirement funding that provides full retirement benefits to workers eligible for early retirement within one year following layoff
- Targeted, individualized job search assistance that focuses on a broad scope of strategies for identifying good job opportunities, and preparing for and applying for those jobs
- Targeted, short-term training for a specific set of occupations and industries, with income support for workers during training
- Counseling services for workers and their families during layoffs and job transitions

According to the author, “As California moves away from a dependence on fossil fuels, the state must support displaced workers to ensure they have the resources and training necessary for success in a changing economy. The DOGWF<sup>2</sup> program is the only program that helps displaced oil and gas workers in transitioning into sectors that match their skills, expertise, and offer comparable wages. AB 2157 will establish this program permanently in California to ensure this support will continue to be available for workers now, and into the future.”

The author continues, “The global shift away from fossil fuel extraction and refinement has a disproportionate impact on workers in underserved and marginalized communities. A report from the UCLA Luskin Center for Innovation shows that neighborhoods closest to refineries have far higher proportions of Latino and Black residents, lower incomes and greater health

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<sup>1</sup> The 2023 report may be accessed here: [Fossil fuel layoff: The economic and employment effects of a refinery closure on workers in the Bay Area - UC Berkeley Labor Center](#).

<sup>2</sup> Acronym for the Displaced Oil and Gas Worker Fund.

vulnerabilities. According to the Public Policy Institute of California, Latinos make up 46 percent of energy workers and the entirety of the sector is more reliant on immigrant workers than the economy overall. While the closure of refineries can bring a much-needed reduction in air pollution in these communities, the resulting job loss significantly impacts marginalized communities. DOGWF is the *only* state program that supports these workers by helping them in transitioning into sectors that match their skills, expertise, and offer comparable wages.”

### **Arguments in Support**

United Steelworkers District 12, sponsor of the bill, states, “In addition to supporting workers, a well-designed transition program is essential for maintaining safety during refinery closures. California requires refineries to provide advance notice before closure, yet many workers, upon hearing the news of the impending closure, understandably leave early to seek new employment opportunities. This has resulted in understaffed facilities which greatly increases the risks to worker safety, surrounding communities, and the state’s fuel supply. A comprehensive and permanent DOGWF will help address this challenge by supporting workers through the transition and encouraging workforce stability during critical shutdown periods so workers do not have to quit when their specialized skills are most needed.

Finally, it’s important to recognize that refinery workers have distinct needs that must be addressed through targeted policy solutions. Many have spent decades in the industry receiving their training on the job. For those experienced workers, particularly those in the later stage of their careers- traditional retraining pathways such as multi-year apprenticeship programs may not be realistic or appropriate. AB 2157 creates the opportunity to design a program that reflects the realities of this workforce and provides accessible, effective pathways to new employment.”

### **Arguments in Opposition**

The State Building and Construction Trades Council is opposed unless amended and states, “AB 2157 intends to remove the sunset of what was intended to be a short-term study on how to retrain or compensate displaced oil and gas workers. As we objected to the original bill, we feel that this type of endeavor is a self-fulfilling prophecy for the thousands of highly paid workers in the oil and gas industry and poor use of public funds. We would much prefer this study to pivot and seek solutions to RETAINING these highly paid union industrial jobs in California rather than retrain workers into subpar industries.”

### **Prior Legislation**

SB 191 (Committee on Budget and Fiscal Review) Statutes of 2022, Chapter 67 established the Displaced Oil and Gas Worker Pilot Program, to be administered by the EDD, for the purpose of addressing employment dislocations associated with oil, gas, and related industries. The bill required the EDD, using funds to be appropriated by the Legislature for purposes of the program, to award grants on a competitive basis to qualified applicants, including public and private nonprofit organizations and local workforce development areas, among other entities, for specified eligible activities, including labor market information, career exploration activities, and high school diploma and GED acquisition. The bill’s provisions are repealed on July 1, 2027.

**REGISTERED SUPPORT / OPPOSITION:****Support**

United Steelworkers District 12 (Sponsor)  
350 Bay Area Action  
Active San Gabriel Valley  
American Federation of State, County and Municipal Employees, AFL-CIO  
Bike LA  
Brightline Defense  
California Environmental Justice Alliance Action  
California Labor for Climate Jobs  
Center for Community Action and Environmental Justice  
Center for Environmental Health  
Center on Race, Poverty & the Environment  
Central California Asthma Collaborative  
Central Coast Alliance United for a Sustainable Economy  
Change Begins With Me (INDIVISIBLE)  
City of Richmond  
Cleaneearth4kids.org  
Climate Action Campaign At the Humboldt UU Fellowship  
Climate Health Now Action Fund  
Courage California  
Culver City Democratic Club  
Earth Ethics, INC  
Environmental Information Protection Center  
Families Advocating for Chemical and Toxics Safety  
Food and Water Watch  
Fossil Free California  
Friends Committee on Legislation of California  
Greenpeace USA  
Grid Alternatives  
Indivisible Alta Pasadena  
Leadership Council for Justice and Accountability  
National Resource Defense Center  
Oil & Gas Action Network  
Physicians for Social Responsibility - Los Angeles  
Physicians for Social Responsibility - San Francisco Bay  
Reclaim Our Power Utility Justice Campaign  
Resource Renewal Institute  
San Francisco Baykeeper  
Sunflower Alliance  
Third ACT Bay Area  
Transition Sebastopol

**Opposition**

State Building and Construction Trades Council

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