

The Legislative Analyst's Office recently warned of General Fund structural deficits of around \$35 billion per year in the 2027-28 fiscal year and ongoing.

COMMENTS:

1) **Purpose.** 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 [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.

2) **Displaced Oil and Gas Workers.** SB 191 (Committee on Budget and Fiscal Review), Chapter 67, Statutes of 2022, established the Program, until July 1, 2027, to address employment dislocations in the oil, gas, and related industries stemming from the state's transition to renewable energy. SB 191 required EDD to award grants on a competitive basis to eligible entities, such as local workforce development areas and community-based organizations, to support eligible activities, such as career exploration and high school diploma acquisition. Of the \$36.5 million available for award in three counties (Kern, Contra Costa, Los Angeles) with high concentrations of displaced or soon-to-be-displaced workers, EDD has awarded approximately \$28 million to eligible entities. This bill continues the Program on a permanent basis and requires EDD to contract with the Labor Center to provide an assessment of the existing Program's successes and make recommendations to evolve the permanent Program.

3) **Support and Opposition.** This bill is sponsored by the United Steelworkers District 12, which argues this bill develops "a comprehensive implementation plan for a permanent program that includes these supports and ensures that [the Program] evolves into a robust, scalable model for worker transition that could one day be utilized for workers beyond the oil and gas industry sector." This bill is also supported by other labor organizations and environmental justice groups.

This bill is opposed by the State Building and Construction Trades Council, which also "objected to the original bill," unless amended "to pivot and seek solutions to RETAINING these highly paid union industrial jobs in California rather than retrain workers into subpar industries."

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