
SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

AB 2157 (Connolly) - Workforce development: Displaced Oil and Gas Worker Pilot Program: extension

Version: May 18, 2026

Urgency: No

Hearing Date: June 29, 2026

Policy Vote: L., P.E. & R. 4 - 1

Mandate: No

Consultant: Robert Ingenito

Bill Summary: AB 2157 would remove the July 1, 2027, sunset date for the Displaced Oil and Gas Worker Pilot Program, thereby making it permanent.

Fiscal Impact: This bill would result in a cost pressure of an unknown amount, potentially in the tens of millions of dollars annually, to appropriate funds to the Employment Development Department (EDD) to continue providing grants to entities serving displaced oil workers under a permanent Program (General Fund). Additionally, EDD would incur unknown annual costs, likely in the hundreds of thousands of dollars, to continue administering the Program on a permanent basis (General Fund).

Background: In 2022, the Legislature established the Displaced Oil and Gas Worker Fund (DOGWF) and provided a one-time appropriation of \$36.5 million for grants administered by EDD. The program was created to assist workers displaced from the oil and gas industry by supporting workforce training, job placement, and related transition services. Under current law, the fund is scheduled to sunset on July 1, 2027.

The program is intended to help displaced workers transition into emerging and high-demand industries that offer opportunities for long-term employment and wages comparable to those available in the oil and gas sector. Eligible industries include renewable energy, advanced manufacturing, construction, technology-related fields, and other high-growth occupations. Grant funds may be used to support workforce training, job placement activities, and supportive services that facilitate successful reemployment. Eligible grant recipients include workforce development organizations, educational institutions, labor organizations, community-based organizations, faith-based organizations, and other nonprofit entities.

Since the program's creation, EDD has awarded five grants totaling \$28 million to organizations serving workers in Kern, Contra Costa, and Los Angeles Counties. According to information cited by the Assembly Labor Committee, the program has served 518 participants to date, with a long-term goal of assisting more than 1,700 workers. Of the approximately \$27.7 million awarded, grantees have expended about \$4.8 million thus far.

Proposed Law: This bill, among other things, would remove the July 1, 2027, sunset date for the Displaced Oil and Gas Worker Pilot Program.

Related Legislation: SB 191 (Committee on Budget and Fiscal Review, Chapter 67, Statutes of 2022) established the Displaced Oil and Gas Worker Pilot Program, to be

administered by EDD, for the purpose of addressing employment dislocations associated with oil, gas, and related industries, as specified, until July 1, 2027.

Staff Comments: The author has requested a one-time \$40 million appropriation from the Labor and Workforce Development Fund in the 2026-27 state budget to support a permanent Program and its implementation. As of the bill's Appropriations Committee hearing date, the request has yet to be included in the final version of the budget.

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