
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anna Caballero, Chair
2025 - 2026 Regular Session

AB 338 (Solache) - Workforce development: the Counties of Los Angeles and Ventura: 2025 wildfires

Version: May 23, 2025

Urgency: Yes

Hearing Date: July 7, 2025

Policy Vote: L., P.E. & R. 5 - 0

Mandate: No

Consultant: Robert Ingenito

Bill Summary: AB 338 would require the California Workforce Development Board (CWDB), upon appropriation of funds, to allocate funds to the Los Angeles County Department of Economic Opportunity and the Economic Development Collaborative for workforce strategies to ensure a skilled and sufficient workforce for the scale of rebuilding and recovery of areas in the counties of Los Angeles and Ventura impacted by the 2025 wildfires, as specified.

Fiscal Impact:

- The enacted 2025-26 state budget (AB 102, Control Section 19.56) allocates \$5 million to CWDB to support workforce development in areas of Los Angeles County and Ventura County impacted by wildfires (General Fund).
- CWDB indicates that it would incur an annual cost of \$343,000 in each of the next three years to administer the allocation. The bill specifies that CWDB's maximum allowable administrative rate would be 2 percent of the allocated funds, or \$100,000 total. Thus, the bill would result in a cost pressure for the remainder of CWDB's administrative costs.
- The bill could result in costs to the Department of Consumer Affairs and other applicable state licensing and certification entities to provide individuals with expedited licensing and certification. The magnitude is unknown, but could exceed \$150,000 (special fund).

Background: CWDB was established in 1998, as outlined in the federal Workforce Investment Act. In 2014, the Workforce Investment Act was replaced by the WIOA, which outlined the vision and structure through which state workforce training and education programs are funded and administered regionally and locally. WIOA mandates the creation of a statewide strategic workforce plan. Every few years, the CWDB, in conjunction with its statewide partners, releases the Unified Strategic State Plan (State Plan).

In order to support the State Plan, CWDB was required to establish initial eligibility criteria for the federal WIOA eligible training provider list that directs training resources into training programs leading to high-demand, high-priority employment, and occupations that provide economic security, particularly those facing a shortage of skilled workers. CWDB also established eligibility criteria, to the extent feasible, which

used performance and outcome measures to determine whether a provider is qualified to remain on the eligibility list.

The Los Angeles County Department of Economic Opportunity is Los Angeles County's central economic and workforce development hub, helping residents connect to new career pathways, start and certify a business, and access life-changing opportunities. The Economic Development Collaborative is a non-profit with a mission to create empowered business owners, connected community partners, and informed civic leaders in the greater Ventura and Santa Barbara County region.

A Los Angeles County Economic Development Corporation Institute for Applied Economics study on the economic and community impact of the 2025 Los Angeles wildfires found that the fires “resulted in significant economic, property, and employment losses, with total property damages estimated between \$28.0 billion and \$53.8 billion.” They also found that “[b]usiness disruptions within the fire perimeters are projected to cause \$4.6 billion to \$8.9 billion in lost economic output in Los Angeles County over a five-year period (2025-2029), representing approximately 0.3 to 0.6 percent of the county's total economic output. The fires could lead to employment losses totaling between 24,990 and 49,110 job-years and labor income reductions ranging from \$1.9 billion to \$3.7 billion. Additionally, federal, state, and local governments could see tax revenue losses between \$0.73 billion and \$1.4 billion due to reduced business activity and employment.”

Proposed Law: This bill, among other things, would do the following:

- Require CWDB, upon appropriation, to allocate funds to the Los Angeles County Department of Economic Opportunity and the Economic Development Collaborative for specified workforce strategies for underemployed and unemployed low- to moderate-income individuals to ensure a skilled and sufficient workforce for the scale of rebuilding and recovery of areas in the Counties of Los Angeles and Ventura impacted by the 2025 wildfires and to support underemployed and unemployed low- to moderate-income workers affected by the fires. Specify the funds are also for new or expanded job and business centers and operations near the fire zones to ensure close proximity of programs and services for dislocated and impacted workers and businesses.
- Authorize CWDB to use up to two percent of the total allocation for state administration.
- Require CDWB to (1) determine the most expeditious allocation, deployment, and, if needed, redeployment of the funds based on the greatest need and, for this purpose, and (2) consider the number of underemployed and unemployed low- to moderate-income individuals impacted by the fires or needed for the rebuild and recovery.
- Require CDWB to allow the Los Angeles County Department of Economic Opportunity to subcontract with other local workforce development boards in the County of Los Angeles, including the City of Los Angeles
- Require CWDB to require quality standards and practices, as specified.

- Require the Los Angeles County Department of Economic Opportunity and the Economic Development Collaborative, in developing and implementing workforce strategies funded through this bill, to focus on employment in public and private sector jobs in construction, utilities, firefighting, health care, social services, education, childcare, housing and shelter assistance, or other areas essential to emergency response, disaster relief, recovery, rebuilding, and regional economic development and resilience.
- Require individuals participating in the workforce programs funded pursuant to this appropriation to have access to expedited licensing and certification to ensure there is a direct pipeline into the workforce.

Related Legislation:

- AB 102 (Committee on Budget, Chapter 5, Statutes of 2025) among other things appropriates \$5 million from the General Fund to CWDB to support workforce development in areas of Los Angeles County and Ventura County impacted by wildfires.
- ABx1-4 (Gabriel, Chapter 1, Statutes of 2025) amended the 2024 Budget Act to authorize emergency expenditure authority related to the 2025 Los Angeles wildfires.
- SBx1-3 (Wiener, Chapter 2, Statutes of 2025) amended the 2024 Budget Act to authorize emergency expenditure authority related to the 2025 Los Angeles wildfires.

-- END --