
THIRD READING

Bill No: AB 338
Author: Solache (D)
Amended: 9/5/25 in Senate
Vote: 27 - Urgency

SENATE LABOR, PUB. EMP. & RET. COMMITTEE: 5-0, 6/25/25
AYES: Smallwood-Cuevas, Strickland, Cortese, Durazo, Laird

SENATE APPROPRIATIONS COMMITTEE: 7-0, 8/29/25
AYES: Caballero, Seyarto, Cabaldon, Dahle, Grayson, Richardson, Wahab

ASSEMBLY FLOOR: 76-0, 6/3/25 - See last page for vote

SUBJECT: Workforce development: the Counties of Los Angeles and Ventura:
2025 wildfires

SOURCE: Author

DIGEST: This bill requires the California Workforce Development Board (CWDB) to allocate appropriated funds to the Los Angeles County Department of Economic Opportunity 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.

Senate Floor Amendments of 9/5/25 remove the requirement that CWDB must determine the most expeditious allocation or deployment of funds, as specified.

ANALYSIS:

Existing federal law:

- 1) Establishes the Workforce Innovation and Opportunity Act (WIOA) to help job seekers access employment, education, training, and support services to succeed in the labor market and to match employers with the skilled workers they need to compete in the global economy. (29 United States Code (USC) §3101-3361)

Existing state law:

- 1) Creates the California Workforce Innovation and Opportunity Act to make programs and services available to individuals with employment barriers. (Unemployment Insurance Code §14000 et seq.)
- 2) Establishes the CWDB, under the purview of the Labor and Workforce Development Agency, as the body responsible for assisting the Governor in the development, oversight, and continuous improvement of California's workforce system, including its alignment to the needs of the economy and the workforce. (Unemployment Insurance Code §14010 et seq.)
- 3) Requires the establishment of a local workforce development board in each local workforce development area of the state to, among other things, plan and oversee the workforce investment system. (Unemployment Insurance Code §14201)
- 4) Defines "high road training partnership" as an initiative or project that models strategies for developing industry-based, worker-focused training partnerships, including labor-management partnerships. High road training partnerships operate via regional, industry- or sector-based training partnerships comprised of employers, workers, and their representatives including organized labor, community-based organizations, education, training, and social services providers, and labor market intermediaries. High road training partnerships demonstrate job quality standards and employment practices that include, but are not limited to, the following:
 - a) Provision of comparatively good wages and benefits, relative to the industry, occupation, and labor market in which participating workers are employed.
 - b) Payment of workers at or above local or regional living wage standards as well as payment at or above regional prevailing wage standards where such standards exist for the occupations in question.
 - c) A history of investment in employee training, growth, and development.
 - d) Provision of opportunities for career advancement and wage growth.
 - e) Safe and healthy working conditions.
 - f) Consistent compliance with workplace laws and regulations, including proactive efforts to remedy past problems.

- g) Adoption of mechanisms to include worker voice and agency in the workplace. (Unemployment Insurance Code §14005(s))
- 5) Defines “high road construction careers” as high road training partnerships that invest in regional training partnerships comprised of local building trades councils, workforce, community, and education interests that connect to state-approved apprenticeship programs, that utilize the standard Multi-Craft Core preapprenticeship training curriculum and provide a range of supportive services and career placement assistance to women and people from underserved and underrepresented populations. (Unemployment Insurance Code §14005(t))

This bill:

- 1) Requires CWDB to allocate appropriated funds to the Los Angeles County Department of Economic Opportunity for workforce development strategies, such as education, high road training partnerships, and other job training programs, preapprenticeships, transitional jobs, or supportive services, including stipends, 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.
 - a) Specifies that this also includes rapid response and layoff aversion, recruitment services, financial incentives, and customized training opportunities for businesses impacted by the fires and those hiring impacted workers as part of the rebuild and recovery.
 - b) Specifies 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.
- 2) Requires the CWDB to reallocate \$600,000 to the Economic Development Collaborative, as specified.
- 3) Authorizes the CWDB to use up to five percent of the total allocation for state administration.
- 4) Requires CWDB to allow the Los Angeles County Department of Economic Opportunity to subcontract with other entities to fulfill the provisions and intent.

- 5) Requires the CWDB to require quality standards and practices, as specified.
- 6) Requires the Los Angeles County Department of Economic Opportunity, in developing and implementing workforce development 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.
- 7) Requires individuals participating in the workforce programs funded pursuant to this appropriation to have access to expedited licensing and certification, if feasible, to ensure there is a direct pipeline into the workforce.
- 8) Adds an urgency clause.
- 9) Finds and declares that a special statute is necessary and that a general statute cannot be made applicable because of the unique circumstances facing the Counties of Los Angeles and Ventura due to extreme wildfires beginning in January 2025 that have resulted in the urgent need to support affected workers and for a skilled workforce to support the rebuilding, recovery, and economic development and resilience of areas in those counties impacted by the wildfires.

Background

2025 Los Angeles Wildfires. On January 7, 2025, a series of wildfires ignited in the Los Angeles metropolitan area. Within days, fires swept through the Pacific Palisades and Altadena, displacing thousands of people, burning 40,000 acres, and destroying and damaging thousands of structures. By the time the fires were contained, 29 people lost their lives and countless more lost their homes, their jobs, and their neighborhoods. In March, 2025, the Senate Labor, Employment and Retirement Committee and the Assembly Labor and Employment Committee held a joint informational hearing titled “L.A. Wildfires: Ensuring an Equitable Recovery for Workers.” The committees heard from various worker, business, and regional stakeholders on the impacts of workers and businesses in the aftermath of the devastating Los Angeles-area wildfires.

A study on the economic and community impact of the 2025 Los Angeles wildfires, commissioned by the Southern California Leadership Council and conducted by the Los Angeles County Economic Development Corporation Institute for Applied Economics, 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.”¹

As the joint informational hearing backgrounder describes, “[t]o mitigate these impacts and support workers in the LA region, the Employment Development Department awarded up to \$20 million to Los Angeles County to support the immediate needs of workers suffering job losses or reduced hours in the aftermath of devastating firestorms with temporary employment. The funding also provides the kind of support needed for long-term recovery and more permanent reemployment.² The \$20 million is 100% federally funded by two separate \$10 million grants, as described below, from the U.S. Department of Labor: the Disaster Recovery National Dislocated Worker Grant and the Workforce Innovation and Opportunity Act Additional Assistance Grant.^{3 4}

The Los Angeles region received up to \$10 million that will be coordinated by Los Angeles County and the City of Los Angeles to support humanitarian aid and cleanup efforts by creating temporary jobs in impacted areas. These jobs will address urgent needs such as debris removal, shelter operations, and community health support – providing critical opportunities for impacted communities to recover and rebuild.

In addition, another \$10 million was awarded to the Los Angeles County Department of Economic Opportunity to address the specific needs of workers in collaboration with several of the region’s local workforce development boards. These funds will enable displaced workers to access transitional jobs, on-the-job training, and other workforce services that support long-term recovery and meaningful careers in the Los Angeles region. Program participants may also receive additional help with other needs as the recovery continues, including housing, childcare, transportation, computer training, skill upgrades, and other

¹ “Impact of 2025 Los Angeles Wildfires and Comparative Study.” Los Angeles County Economic Development Corporation and Southern California Leadership Council, <https://laedc.org/wildfirereport/>

² [https://edd.ca.gov/en/about_edd/news_releases_and_announcements/\\$20-million-in-aid-to-support-immediate-recovery-efforts-and-workers-impacted-by-firestorms/](https://edd.ca.gov/en/about_edd/news_releases_and_announcements/$20-million-in-aid-to-support-immediate-recovery-efforts-and-workers-impacted-by-firestorms/)

³ <https://www.dol.gov/agencies/eta/grants/apply/national-dislocated-worker-grant-opportunities>

⁴ <https://www.dol.gov/newsroom/releases/eta/eta20250116-0>

supportive services, depending on the specific offerings in each local area. The combined funding reflects a robust partnership between local, state, and federal agencies to quickly address the urgent impacts of the disaster, which have affected thousands of residents and businesses.”

California Workforce Development Board. The California Workforce Development Board (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.

This bill would require the CWDB to, upon appropriation of the Legislature, allocate funds to the Los Angeles County Department of Economic Opportunity and the Economic Development Collaborative to support 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.

Related/Prior Legislation

AB 102 (Committee on Budget, Chapter 5, Statutes of 2025) 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.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

According to the Senate Appropriations Committee:

- 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 annual costs in the low hundreds of thousands of dollars annually each of the next three years to administer the allocation. The bill now specifies that CWDB's maximum allowable administrative rate would be 5 percent of the allocated funds, or \$250,000 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 probably minor.

SUPPORT: (Verified 9/4/25)

California Apartment Association
 California Chamber of Commerce
 California Community Colleges Chancellor's Office
 California Community Foundation
 California Contract Cities Association
 City of Camarillo
 City of Pico Rivera
 County of Los Angeles Board of Supervisors
 Early Care and Education Consortium
 Los Angeles Area Chamber of Commerce
 National Association of Social Workers – California Chapter
 Society of Human Resources Management
 South Bay Workforce Investment Board

OPPOSITION: (Verified 9/4/25)

None received

ARGUMENTS IN SUPPORT:

According to the California Chamber of Commerce,

“[AB 338], will provide funding to support workforce training and development in the aftermath of the devastating 2025 wildfires in Southern California. AB 338 directly addresses the urgent need for a skilled workforce to help rebuild and recover communities affected by these wildfires while also providing important employment opportunities. The establishment of funding for the Los Angeles County Department of Economy Opportunity and the Economic Development Collaborative to provide support services for low- to moderate-income individuals is a crucial step in ensuring that the communities impacted by the fires are able to recover in a sustainable and equitable manner. By prioritizing essential sectors such as construction, utilities, firefighting, healthcare, education, and social services, AB 338 is directly addressing the long-term needs of the region while providing meaningful employment opportunities for those most in need.”

ASSEMBLY FLOOR: 76-0, 6/3/25

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Fong, Gabriel, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

NO VOTE RECORDED: Flora, Gallagher, McKinnor

Prepared by: Jazmin Marroquin / L., P.E. & R. / (916) 651-1556
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