

## CONCURRENCE IN SENATE AMENDMENTS

AB 338 (Solache)

As Amended September 5, 2025

2/3 vote. Urgency

**SUMMARY**

Requires the California Workforce Development Board (CWDB) to allocate to the Los Angeles County Department of Economic Opportunity the funding appropriated to the CWDB in the Budget Act of 2025 to support workforce development in areas of the counties of Los Angeles and Ventura impacted by wildfires, as specified.

**Senate Amendments**

- 1) Reflect the appropriation for this purpose in the Budget Act of 2025.
- 2) Remove the requirement that the CWDB allocate funding to both the Los Angeles County Department of Economic Opportunity and the Economic Development Collaborative, and instead require the CWDB to allocate the funding to the Los Angeles County Department of Economic Opportunity, which in turn shall reallocate \$600,000 of the funding to the Economic Development Collaborative.
- 3) Increase the amount that the CWDB may use for state administration from two percent of the total allocation to 5%.
- 4) Remove the requirement that the CWDB determine the most expeditious allocation, deployment, and, if needed, redeployment of the funds based on the greatest need and, the requirement that, for this purpose, the CWDB consider the number of underemployed and unemployed low- to moderate-income individuals impacted by the fires or needed for the rebuild and recovery.
- 5) Specify that the Los Angeles County Department of Economic Opportunity may subcontract with other entities to fulfill the intent of the funding, instead of limiting its ability to subcontract to just local workforce development boards in the County of Los Angeles, including the City of Los Angeles.
- 6) Add a feasibility condition to the requirement that individuals participating in workforce programs funded through the bill have access to expedited licensing and certification.

**COMMENTS**

A recent 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, states that "Business 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% 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."<sup>1</sup>

To mitigate these impacts and support workers in the Los Angeles region, funding to date includes:

- 1) Up to \$20 million from the federal government to support the immediate needs of workers suffering job losses:
  - a) Up to \$10 million to 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
  - b) Up to \$10 million to the Los Angeles County Department of Economic Opportunity for workforce services that support long-term recovery and meaningful careers in the Los Angeles region
- 2) \$3 million state funding to support the Los Angeles Jobs First Collaborative's regional plan in their recovery efforts for the region
- 3) \$5 million state funding appropriated to the CWDB through the Budget Act of 2025 for the purposes outlined in this bill

### **According to the Author**

"The Los Angeles and Ventura wildfires have devastated the region's economy including workforce disruptions and employment insecurity. Economic impacts to the Los Angeles and Ventura County areas of Southern California have a ripple effect across our state. Strategic economic recovery investments are called for to mitigate economic hardships, protect employment opportunities, and ensure the workforce necessary for rebuilding."

### **Arguments in Support**

The County of Los Angeles is in support and states that "AB 338 represents a critical opportunity to accelerate disaster recovery and foster long-term resilience in affected communities. The bill would enable investments in high-impact programs such as customized workforce training, wage subsidies, job and business recovery centers, high road training partnerships, and expedited licensing and certification pathways—all of which are essential to ensuring an inclusive, equitable recovery."

### **Arguments in Opposition**

None on file.

## **FISCAL COMMENTS**

According to the Senate Appropriations Committee:

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<sup>1</sup> <https://laedc.org/wildfirereport/>

- 1) 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).
- 2) 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% 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.
- 3) 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.

### VOTES:

#### ASM LABOR AND EMPLOYMENT: 6-0-1

**YES:** Ortega, Flora, Chen, Elhawary, Kalra, Lee

**ABS, ABST OR NV:** Ward

#### ASM APPROPRIATIONS: 11-0-4

**YES:** Wicks, Arambula, Calderon, Caloza, Elhawary, Fong, Mark González, Hart, Pacheco, Pellerin, Solache

**ABS, ABST OR NV:** Sanchez, Dixon, Ta, Tangipa

#### ASSEMBLY FLOOR: 76-0-3

**YES:** 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

**ABS, ABST OR NV:** Flora, Gallagher, McKinnor

### UPDATED

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