

Date of Hearing: April 29, 2025

ASSEMBLY COMMITTEE ON HIGHER EDUCATION

Mike Fong, Chair

AB 1235 (Rogers) – As Amended March 24, 2025

SUBJECT: California State University: skilled and trained workforce requirement

SUMMARY: Prohibits a contractor from being prequalified for, shortlisted for, or awarded a design-build (DB) contract with the Trustees of the California State University (CSU) unless the contractor provides an enforceable commitment to the trustees that the contractor and its subcontractors at every tier will use a skilled and trained workforce to perform all work on the project or contract that falls within an apprenticeable occupation in the building and construction trades, as specified. Specifically, **this bill:**

- 1) Prohibits a contractor from being prequalified for, shortlisted for, or awarded a design-build contract with the Trustees of the CSU unless the contractor provides an enforceable commitment to the trustees that the contractor and its subcontractors at every tier will use a skilled and trained workforce to perform all work on the project or contract that falls within an apprenticeable occupation in the building and construction trades, as specified.
- 2) Provides that 1) above does not apply if any of the following requirements are met:
 - a) The trustees have entered into a project labor agreement that will bind all contractors and subcontractors performing work on the project or contract to use a skilled and trained workforce and the contractor agrees to be bound by that project labor agreement;
 - b) The project or contract is being performed under the extension or renewal of a project labor agreement that was entered into by the trustees prior to January 1, 2026; and,
 - c) The contractor has entered into a project labor agreement that will bind the contractor and all its subcontractors at every tier performing the project or contract to use a skilled and trained workforce.
- 3) Defines “project labor agreement” to have the same meaning as in existing law (see 10) below).

EXISTING LAW:

- 1) Establishes the Trustees of the CSU and provides them with full power and responsibility in the construction and development of any state university campus, and any buildings or other facilities or improvements connected with the CSU. (Education Code (EDC) Sections 66600 and 66606.)
- 2) Authorizes the Trustees of the CSU to enter into an agreement with a contractor to provide all or significant portions of the design services and construction of a project, chosen by a

competitive bidding process that employs selection criteria in addition to cost. (Public Contract Code (PCC) Section 10708(a)-(b).)

- 3) Requires a contractor, when selecting subcontractors under this provision, to competitively bid for those portions of work, and requires the contractor to provide to the trustees a list of subcontractors whose work is in excess of one-half of one percent of the total project cost. (PCC Section 10708(c).)
- 4) Authorizes a public entity to require a bidder, contractor, or other entity to use a skilled and trained workforce to complete a contract or project regardless of whether the public entity is required to do so by a statute or regulation. (PCC Section 2600(b).)
- 5) Requires, when the use of a skilled and trained workforce to complete a contract or project is required, the public entity to include in all bid documents and construction contracts a notice that the project is subject to the skilled and trained workforce requirement. (PCC Section 2600(c).)
- 6) Defines a “skilled and trained workforce” to mean a workforce that meets certain conditions, including specified apprenticeship graduation requirements. (PCC Section 2601.)
- 7) Requires a contractor, bidder, or other entity to provide to the public entity or other awarding body, on a monthly basis while the project or contract is being performed, a report demonstrating compliance with skilled and trained workforce requirements. (PCC Section 2602.)
- 8) Requires a contractor or subcontractor to pay a civil penalty to the state of not more than \$5,000 per month of work performed in violation of the skilled and trained workforce requirements if the Labor Commissioner or their designee determines that the contractor or subcontractor failed to use a skilled and trained workforce. A contractor or subcontractor that commits a second or subsequent violation within a three-year period shall forfeit as a civil penalty to the state the sum of not more than \$10,000 per month of work performed in violation. (PCC Section 2603.)
- 9) Provides that the ratio of work performed by apprentices to journeymen employed in a particular craft or trade on the public work may be no higher than the ratio stipulated in the apprenticeship standards under which the apprenticeship program operates if the contractor agrees to be bound by those standards, but provides that, unless otherwise specified, in no case shall the ratio be less than one hour of apprentice work for every five hours of journeyman work. (Labor Code § 1777.5(g).)
- 10) Defines “project labor agreement” to mean a prehire collective bargaining agreement that establishes terms and conditions of employment for a specific construction project or projects, and authorizes a public entity to use, enter into, or require contractors to enter into a project labor agreement for a construction project if specified conditions are met. PCC Section 2500(b)(1).)

FISCAL EFFECT: Unknown

COMMENTS: *Double-referral.* AB 1235 (Rogers) was heard in the Assembly Committee on Labor and Employment on April 2, 2025, passing with a unanimous 7-0 vote.

Purpose. According to the author, “taxpayer funded university construction projects should be built to the highest standards, which means using a skilled and trained workforce. Because there are limited funds available to the higher education system in California for construction, it is critical that these projects be done on time and done right the first time in the most efficient and safe manner available. Additionally, a skilled and trained workforce delivers benefits to the entire community by improving worker standards and putting upward pressure on the overall wage floor.”

“However, some [CSU] campuses do not utilize a skilled and trained workforce despite it being the general industry standard across most CSUs. This policy choice is unfortunate because the requirement to use workers being trained in, or that have graduated from, a state-approved apprenticeship program is the best workforce available. This will make projects safer and more efficient places to work, but will also incentivize the use of local workers on these projects and help ensure that taxpayer dollars are spent wisely.”

“AB 1235 not only harmonizes the CSU design build statutes with the rest of the Public Contract Code, but it ensures that a locally based skilled and trained workforce will work on taxpayer funded CSU projects for the betterment of the entire community.”

Skilled and trained workforce. A “skilled and trained workforce” is defined in the Public Contract Code as a workforce where all the workers performing work in an apprenticeable occupation in the building and construction trades are either skilled journeypersons or apprentices registered in an apprenticeship program approved by the Division of Apprenticeship Standards (DAS) of the Department of Industrial Relations. A skilled journeyperson is defined as a worker who either:

- 1) Graduated from an apprenticeship program for the applicable occupation that was approved by the DAS, or located outside California and approved pursuant to the federal apprenticeship regulations; or,
- 2) Has at least as many hours of on-the-job experience in the applicable occupation as would be required to graduate from an apprenticeship program for the applicable occupation that is approved by the DAS.

Arguments in support. The State Building and Construction Trades Council of California wrote in support of the bill, noting that “...under the DB construction procurement method, a single contract covers the design and construction of a project with a single company or consortium that acts as both the project designer and builder. Since the general contractor is responsible for both the design and construction of the project under the DB method the benefits of a DB contract include accelerated project completion, cost containment, reduction of construction complexity, and reduced risk exposure by shifting the liability and risk for cost containment and project completion to the DB entity.

Since the DB method can be faster and, therefore, cheaper, than other construction methods, it requires a higher level of management sophistication since design and construction may occur simultaneously. It makes sense that the CSU system would want to utilize it on their construction projects. However, Cal Poly Humboldt and CSU Bakersfield recently informed our local leaders that the statute being amended by AB 1235 does not require CSU to utilize a skilled and trained workforce. This policy choice by Cal Poly Humboldt and CSU Bakersfield is unfortunate because the requirement to use workers being trained in, or that have graduated from, a state-approved apprenticeship program is the most highly trained workforce available. This will make projects safer and more efficient places to work but will also incentivize the use of local workers on these projects and help ensure that taxpayer dollars are spent wisely.

School construction projects should be built to the highest standard using a skilled and trained workforce. Because there are limited funds available to the higher education system in California for construction it is critical that these projects be done on time and done right the first time in the most efficient and safe manner available.”

Prior legislation. SB 1298 (Cortese) of 2024 would have authorized the California Energy Commission, until January 1, 2030, to exempt from its certification a thermal powerplant with a generating capacity of up to 150 megawatts, if specified requirements are met, including that a skilled and trained workforce is used to perform all construction work on the facility, as specified. This bill died in the Assembly Rules Committee.

SB 144 (Committee on Budget and Fiscal Review) Chapter 367, Statutes of 2023 required eligible centralized procurement entity projects to, among other things, use a skilled and trained workforce.

SB 288 (Wiener), Chapter 200, Statutes of 2020 required the use of a skilled and trained workforce for certain transit-related projects conducted by public agencies.

SB 524 (Stern) of 2019 would have required that a skilled and trained workforce perform the work for energy efficiency projects of \$50,000 or more in ratepayer-funded incentives within the same building, facility or complex. This bill died on the Assembly inactive file.

SB 693 (Hueso), Chapter 774, Statutes of 2016 consolidated the “skilled and trained workforce” requirements of various provisions of existing law related to alternative construction delivery methods and defined the terms of those requirements.

SB 785 (Wolk), Chapter 931, Statutes of 2014 enacted more uniform provisions authorizing the Department of General Services, the Department of Corrections and Rehabilitation, and most local agencies to utilize the design-build procurement process for specified public works projects; prohibited a design-build entity from being prequalified or shortlisted unless the entity provides an enforceable commitment that the entity and its subcontractors at every tier will use a skilled and trained workforce, as specified.

SB 54 (Hancock), Chapter 795, Statutes of 2013 introduced the skilled and trained workforce requirement and applied it to construction and related work performed at specified petroleum refineries and petrochemical manufacturing facilities.

REGISTERED SUPPORT / OPPOSITION:

Support

California Federation of Labor Unions, AFL-CIO
California Legislative Conference of Plumbing, Heating & Piping Industry
California State Association of Electrical Workers
California State Pipe Trades Council
National Electrical Contractors Association (NECA)
Northern California Allied Trades
Southern California Glass Management Association (SCGMA)
State Building & Construction Trades Council of California
Western Painting and Coating Contractors Association
Western States Council Sheet Metal, Air, Rail and Transportation

Opposition

None on file.

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