

Date of Hearing: 06-29-2023

ASSEMBLY COMMITTEE ON TRANSPORTATION

Laura Friedman, Chair

SB 150 (Durazo, et al.) – As Amended June 26, 2023

**SENATE VOTE:** Not Applicable

**SUBJECT:** Construction: workforce development: public contracts.

**SUMMARY:** Specifically, **this bill**, an urgency measure:

- 1) Expresses legislative intent to develop procurement models in alignment with initiatives to enhance the state's training and access pipeline for quality jobs and the application of community benefits on infrastructure and manufacturing investments funded by the federal Infrastructure and Investment Jobs Act, the Inflation Reduction Act, and the CHIPS and Science Act.
- 2) Requires the state Labor and Workforce Development Agency, Government Operations Agency, and Transportation Agency to convene a stakeholder process and to provide input on recommendations to establish terms to be included as a material part of a contract, including measurable results to ensure that investments maximize benefits to marginalized and disadvantaged communities. These recommendations shall be provided in a report to the Governor and Legislature by March 30, 2024.
- 3) Beginning January 1, 2026, authorizes a state agency to enter into or require a project labor agreement that applies to a project with aggregate construction costs in excess of \$35 million dollars, but only if the agreement also includes provisions to address community benefits, which is defined to include partnerships with existing high road construction careers programs, local hire goals, coordination with programs that utilize job fairs for construction apprenticeship or preapprenticeship programs, or other methods agreed upon by the parties to promote employment and training opportunities for veterans and individuals who reside in economically disadvantaged areas.
- 4) Requires the California Department of Transportation (Caltrans) to work in partnership with the California Workforce Development Board to support California's high road construction careers program. The bill additionally requires Caltrans to reserve a minimum total of \$50 million of federal funds from the federal Infrastructure Investment and Jobs Act of 2022 to be allocated over four years to support high road construction careers programs that provide a range of supportive services and career placement assistance to underserved and underrepresented populations.

**EXISTING LAW:**

- 1) Establishes procedures for state agencies to enter into contracts for goods and services, including generally requiring that certain contracts by a state agency, including, but not limited to, contracts for the construction, alteration, improvement, repair, or maintenance of property, be approved by the Department of General Services (DGS).

- 2) Authorizes public entities to enter into, or require contractors to enter into, a project labor agreement for a construction project only if the agreement includes specified taxpayer protection provisions.
- 3) Defines high road construction careers as high road training partnerships that invest in regional training partnerships with local building trades councils, and community and education interests that connect to state-approved apprenticeship programs for the purpose of providing services and career placement assistance to women and people from underserved and underrepresented populations.

**FISCAL EFFECT:** Unknown

**COMMENTS:** This bill is a reflection of the increasing interest from the Legislature in using state contracting and procurement processes as a means to provide greater inclusion and equity in employment for women, veterans, and other individuals representing economically disadvantaged areas.

Related Legislation:

SB 822 (Durazo of 2023) would establish an Interagency High Road Team to create high road evaluation metrics and require certain agencies to enter into an MOU with the state workforce development board to coordinate workforce development planning analysis, and implementation activities. *Set for hearing in Assembly Labor and Employment Committee on June 28, 2023.*

SB 574 (Wahab of 2023) would require all state agencies, and specified educational agencies using bond funds, to enter into project labor agreements with community benefits for projects that exceed a total cost of \$35 million. *Two-year bill.*

SB 154 (Committee on Budget and Fiscal Review, Ch. 43, Statutes of 2022) required the state labor agency to submit a report to the Legislature documenting all relevant programs and initiatives under the Employment Development Department, Workforce Development Board, and Department of Industrial Relations regarding the high road standard.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

None on file

**Opposition**

None on file

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