
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anthony Portantino, Chair
2021 - 2022 Regular Session

SB 674 (Durazo) - Public Contracts: workforce development: transportation-related contracts

Version: April 29, 2021

Policy Vote: L., P.E. & R. 4 - 1, TRANS.
12 - 2

Urgency: No

Mandate: Yes

Hearing Date: May 20, 2021

Consultant: Robert Ingenito

Bill Summary: SB 674 would (1) create the California Jobs Plan (CAJP) Act of 2021, requiring private entities bidding on covered transportation-related contracts over \$10 million (excluding contracts for road, bridge, or highway construction) to include as part of their application a CAJP form stating information about jobs created and retained, and (2) specify that the CAJP is scored as part of the overall application and included in the awarded contract as a material term.

***** **ANALYSIS ADDENDUM – SUSPENSE FILE** *****

The following information is revised to reflect amendments
adopted by the committee on May 20, 2021

Fiscal Impact:

- The California Workforce Development Board (within LWDA) would be the lead entity in implementing the bill's provisions, and indicates that it would require increased staff at a cost of \$1 million annually (General Fund).
- The Department of General Service (DGS) is still reviewing the bill and determining its full fiscal effect. However, the bill would likely result in increased costs related to contract awards, protests and enforcement. Annual costs would minimally be in the hundreds of thousands of dollars annually.
- The California Department of Transportation (CalTrans) indicates that the bill would result in minor and absorbable costs.
- By imposing new duties on local public agencies with respect to CAJP, this bill creates a state-mandated local program. To the extent the Commission on State Mandates determines that the provisions of this bill create a new program or impose a higher level of service on local agencies, local agencies could claim reimbursement of those costs (General Fund). The magnitude of these costs is unknown.

Author Amendments: Designate LWDA as the lead entity, add a coauthor, and clarify that transit agencies are local entities included in the bill.

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