

ASSEMBLY THIRD READING

AB 1235 (Rogers)

As Amended January 22, 2026

Majority vote

SUMMARY

Prohibits a contractor from being prequalified for, shortlisted for, or awarded a design-build contract with the Trustees of the California State University 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; exempts from the bill's provisions, among other things, projects or contracts for the development of housing, including dormitories.

Major Provisions

- 1) Prohibits a contractor from being prequalified for, shortlisted for, or awarded a design-build contract with the Trustees of the California State University 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, 2027.
 - 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.
 - d) Notwithstanding any other law, the project or contract is for the development of housing, including dormitories.
- 3) Defines "project labor agreement" to have the same meaning as in existing law (see Public Contract Code Section 2500(b)(1)).

COMMENTS

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.

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 California State University 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."

The author adds that the bill promotes equity solutions and maximizes benefits for underserved and marginalized communities in that "AB 1235's requirement for CSUs to utilize a skilled and train workforce ensures that local workers are involved in the projects, high-road contractors are carrying out the work, the workers are paid the prevailing wage, and that they have access to health and welfare benefits for themselves and their families. The skilled and trained requirements also ensure that apprentices are being trained under highly trained journeypersons, which creates a pipeline of skilled workers for future projects that will benefit local residents for years to come. A higher percentage of these workers in the community can help raise the overall wage floor, providing benefits for all workers."

Arguments in Support

The State Building and Construction Trades Council of California, sponsor of this measure, state that, "In 2015, SB 785 (Wolk) was signed into law that consolidated the disparate design-build (DB) statutes under the Public Contract Code. During the negotiations over that legislation the requirement to utilize a "skilled and trained workforce" in order to be able to utilize DB authority was maintained...AB 1235 not only harmonizes the CSU DB statutes with the rest of the Public Contract Code, but it ensures that a locally based skilled and trained workforce will work on CSU funded projects."

Arguments in Opposition

The Associated General Contractors of California state in opposition that "while we support fair labor practices, requiring contractors to provide an enforceable commitment covering the entire subcontracting chain creates unmanageable liability, exposing prime contractors to compliance risks outside of their direct control. These types of measures impact the contractor pool for public works projects, as the administrative and oversight requirements consume fiscal and staffing resources that the contractor may not have available."

FISCAL COMMENTS

According to the Assembly Appropriations Committee, "Costs of an unknown, but likely significant amount, in excess of \$150,000, to CSU for increased administrative costs to ensure compliance with new contracting requirements (General Fund). CSU notes that the magnitude of costs is variable based on the number of potential construction projects.

CSU may also incur potentially significant increased project costs, to the extent this bill increases bid prices or deters some contractors from bidding on contracts. In cases where a foregone contractor would have been the low bidder, CSU will pay more, and remaining contractors may face less competitive pressure when bidding on contracts, thus increasing contract costs. Additionally, to the extent this bill slows down the contract and procurement process, thereby jeopardizing time-sensitive funding sources or the use of low dollar expeditious acquisition methods, there may be a corresponding fiscal impact to CSU."

VOTES**ASM LABOR AND EMPLOYMENT: 7-0-0**

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

ASM HIGHER EDUCATION: 8-0-2

YES: Fong, Boerner, Jeff Gonzalez, Jackson, Muratsuchi, Patel, Celeste Rodriguez, Sharp-Collins

ABS, ABST OR NV: DeMaio, Tangipa

ASM APPROPRIATIONS: 13-0-2

YES: Wicks, Hoover, Stefani, Calderon, Caloza, Fong, Mark González, Krell, Bauer-Kahan, Pacheco, Pellerin, Solache, Tangipa

ABS, ABST OR NV: Dixon, Ta

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