
SENATE COMMITTEE ON EDUCATION

Senator Sasha Renée Pérez, Chair

2025 - 2026 Regular

Bill No: AB 1235 **Hearing Date:** June 3, 2026
Author: Rogers
Version: January 22, 2026
Urgency: No **Fiscal:** Yes
Consultant: Ian Johnson

Subject: California State University: skilled and trained workforce requirement.

SUMMARY

This bill requires contractors on California State University (CSU) design-build projects to commit that they and their subcontractors will use a skilled and trained workforce for work in apprenticeable occupations in the building and construction trades. The bill includes exceptions for projects covered by specified project labor agreements and for housing projects, including dormitories.

BACKGROUND

Existing law:

- 1) Establishes the Trustees of the CSU and grants them authority over the construction and development of CSU campuses, buildings, facilities, and related improvements.
- 2) Authorizes the CSU Trustees to use design-build contracting, under which a contractor may provide all or significant portions of both the design services and construction of a project through a competitive process that considers criteria in addition to cost.
- 3) Requires a design-build contractor, when selecting subcontractors, to competitively bid those portions of work and provide CSU with a list of subcontractors whose work exceeds one-half of 1% of the total project cost.
- 4) Authorizes a public entity to require a bidder, contractor, or other entity to use a skilled and trained workforce, whether or not another statute or regulation requires that workforce standard.
- 5) Requires bid documents and construction contracts to include notice when a project is subject to a skilled and trained workforce requirement.
- 6) Defines “skilled and trained workforce” to generally mean a workforce in which workers performing apprenticeable work in the building and construction trades are skilled journeymen or registered apprentices.
- 7) Requires monthly compliance reports when a skilled and trained workforce is required.

- 8) Authorizes civil penalties for contractors or subcontractors that fail to use a skilled and trained workforce when required.
- 9) Defines a project labor agreement as a pre-hire collective bargaining agreement establishing terms and conditions of employment for a specific construction project or projects.

ANALYSIS

This bill:

- 1) Prohibits a contractor from being prequalified for, shortlisted for, or awarded a design-build contract with the CSU unless the contractor provides an enforceable commitment that the contractor and all subcontractors at every tier will use a skilled and trained workforce for all work on the project or contract that falls within an apprenticeable occupation in the building and construction trades.
- 2) Provides that this requirement does not apply if:
 - a) The CSU Trustees have entered into a project labor agreement that binds all contractors and subcontractors on the project to use a skilled and trained workforce, and the contractor agrees to be bound by that agreement.
 - b) The project or contract is being performed under the extension or renewal of a project labor agreement entered into by the CSU Trustees before January 1, 2027.
 - c) The contractor has entered into a project labor agreement that binds the contractor and all subcontractors at every tier to use a skilled and trained workforce.
 - d) The project or contract is for the development of housing, including dormitories.
- 3) Defines “project labor agreement” by cross-reference to existing law.

STAFF COMMENTS

- 1) ***Need for the bill.*** 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.
- 2)

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.”

- 3) ***This bill applies a familiar skilled-and-trained workforce standard to CSU design-build projects.*** This bill does not create a new workforce concept. Rather, it applies an existing Public Contract Code framework to CSU design-build projects. Under existing law, skilled-and-trained workforce requirements already include definitions, monthly reporting obligations, and penalties for noncompliance. The policy question is therefore not whether the state should invent a new labor standard, but whether CSU design-build authority should be conditioned on the same type of workforce commitment used in other public construction contexts.
- 4) ***The housing exemption is a significant narrowing amendment.*** The latest version of this bill exempts projects or contracts for the development of housing, including dormitories. This appears to respond to concerns that additional labor requirements could increase costs or slow delivery of student housing projects at a time when housing affordability and availability remain major challenges for students. This exemption substantially narrows the bill’s application relative to CSU’s overall capital program and may help separate the bill’s workforce-policy objective from the state’s urgent student housing goals.
- 5) ***The committee may wish to consider how CSU would operationalize compliance.*** The Assembly Appropriations Committee analysis identified unknown but likely significant administrative costs to CSU to ensure compliance, as well as potential project cost impacts if the bill reduces competition or increases bid prices. A key implementation question is what level of review CSU would need to perform to verify contractor and subcontractor compliance, and whether existing skilled and trained workforce reporting and enforcement mechanisms are sufficient to avoid creating a duplicative administrative process.
- 6) ***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.”

- 7) ***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.”

SUPPORT

State Building & Construction Trades Council of California (sponsor)
California Federation of Labor Unions, AFL-CIO

OPPOSITION

Associated General Contractors, California Chapters
Western Electrical Contractors Association

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