

Date of Hearing: April 15, 2026

ASSEMBLY COMMITTEE ON INSURANCE
Lisa Calderon, Chair
AB 1888 (Ortega & Calderon) – As Amended March 18, 2026

SUBJECT: California Safe Homes grant program: contractors

SUMMARY: Requires the California Department of Insurance (CDI) to develop standardized procedures and processes, on or before July 1, 2027, for the selection of contactors and award of grant funds to perform specified categories of wildfire mitigation work as it relates to the California Safe Homes (CSH) grant program. Specifically, **this bill:**

- 1) Requires a contractor who enters into a contract to perform work under the California Safe Homes grant program to do all of the following:
 - a) Pay each construction worker, at a minimum, the general prevailing rate of per diem wages, as specified;
 - b) Maintain and verify payroll records; and,
 - c) Provide digital copies of payroll records to CDI biannually, on July 1 and December 31 of each year.
 - i) Requires CDI to retain these records for 5 years.
- 2) Requires a contractor to use a skilled and trained workforce for all work related to the project.
 - a) Requires the contractor and subcontractors to do all of the following:
 - i) Hold a valid, applicable license issued by the appropriate regulatory entity in this state;
 - ii) Independently hold insurance that complies with the minimum coverages required under the law;
 - iii) Comply with all applicable state and federal workers' compensation laws;
 - iv) Hold all other licenses or permits necessary, as required by the laws of this state;
 - v) Avoid conflicts of interest in any work performed using grant funds awarded under the CSH grant program;
 - vi) Agree to follow all procedures and processes established by CDI; and,
 - vii) Provide documentation of the completed work to CDI.
- 3) Allows the Insurance Commissioner to adopt, amend, or repeal regulations to implement the provisions of this bill.

- 4) Makes findings and declarations.

EXISTING LAW:

- 1) Provides for the regulation of insurers, agents and brokers, and other insurance-like organizations by the Insurance Commissioner, and imposes a broad range of financial solvency, licensing, and market behavior requirements, as set forth in the Insurance Code.
- 2) Establishes the CSH grant program within CDI with the goals of reducing local and statewide wildfire losses, improving insurability and resilience of vulnerable communities, and home hardening to mitigate wildfire risk and reduce the cost of insurance. (Insurance Code, Section 2033)
- 3) Establishes the “Safer from Wildfires” Framework. (Section 2644.9 of Title 10 of the California Code of Regulations)

FISCAL EFFECT: Unknown.

COMMENTS:

- 1) *Purpose of the bill:* According to the Authors, “AB 1888 is a follow up to AB 888 (Calderon, 2025) which established the CSH grant program. As home insurance premiums continue to rise due to the increased cost of climate-caused natural disasters, the CSHG allows for low- and middle-income homeowners to have access to home hardening upgrades they wouldn’t otherwise be able to afford. AB 1888 ensures cost efficiency and quality of home-hardening construction funded by the program by requiring the use of skilled and trained labor. Better work done right the first time by a well-paid, highly skilled workforce, will result in savings for the state by avoiding costly delays or repairs. In a budget-conscious year, assuring the cost-effectiveness of taxpayer funded grants is essential. AB 1888 accomplishes cost-efficiency, supports good union jobs, and prevents the loss of homes due to wildfires.”
- 2) *Background:* AB 888 established the CSH grant program to provide financial assistance to low- and middle-income homeowners in high wildfire-risk areas for home-hardening mitigations. The CSH grant program received funding last year to get the program started, and there is a new budgetary ask in the 2026-27 Budget to continue the program.

AB 1888 is a follow-up measure to create standards and processes for those conducting the work for those projects granted funding. AB 1888 ensures that funds are spent on work done by qualified union labor.

- 3) *California Safe Homes grant program:* The CSH grant program was created to help Californians reduce wildfire risk by prioritizing the replacement of fire-prone roofs and clearing the first five feet around properties. The CSH grant program focuses on incentivizing important mitigation measures such as:
 - a) Removal of trees and vegetation in the immediate five feet around the exterior;
 - b) Construction of Class-A Wildfire Rated roof;

- c) Construction of noncombustible surfaces or fences within the immediate five-feet around the exterior; and,
- d) Installation of double-paned windows or fireproof exterior shutters.

Applicants could receive funding to cover all or part of the costs. Eligible applicants include: 1) homeowners who are insured by an admitted insurer or the California FAIR Plan; are located in zip codes overlapping with high or very high fire hazard severity zones; and, meet low-income limits set by the Department of Housing and Community Development, and 2) cities, counties, and special districts that propose projects aligned with wildfire mitigation priorities, and demonstrate how grant funds will support measurable outcomes.

Programs similar to this exist in several other states, including Louisiana, Alabama, and Florida. In 2011, Alabama introduced the Strengthen Alabama Homes Act to help homeowners with building modifications, with roofs specifically identified, that reduce property damage from hurricanes and other catastrophic windstorms. Funded primarily through premium taxes, the Alabama Department of Insurance offers financial assistance to qualified homeowners for retrofitting roof costs. Homes with hardened roofs have been determined to be more valuable on average than those without.

- 4) *Previous legislation:* AB 888 (Calderon, Chapter 525, Statutes of 2025) created the CSH grant program within the CDI with the goals of reducing local and statewide wildfire losses, improving the insurability and resilience of vulnerable communities, and home hardening to mitigate wildfire risk and reduce the cost of insurance.
- 5) *Arguments in support:* Insurance Commissioner Ricardo Lara, sponsor of AB 1888, states, “As California continues to face increasing wildfire risk, home-hardening remains one of the most effective tools to protect homes and communities, but the effectiveness of these investments depends on the quality of the work performed. Without clear workforce standards, there is a risk that publicly funded mitigation work may be performed inconsistently or inadequately, leading to reduced effectiveness and the potential for costly rework. Ensuring this work is performed correctly and to a high standard is critical to the success of these investments.

By requiring the use of a skilled and trained workforce, along with prevailing wage, AB 1888 promotes quality workmanship, accountability, and responsible use of public funds. These standards help attract and retain qualified workers, support pathways to good-paying jobs, and reduce the risk of delays or costly rework. In doing so, AB 1888 helps ensure that limited state program funds deliver meaningful, durable protection for homeowners.

- 6) *Arguments in opposition:* According to the Associated General Contractors, “The bill mandates elevated wage standards and requires the use of a skilled-and-trained workforce for all apprenticeable occupations. These provisions significantly increase labor costs and create barriers for many small and mid-sized contractors who have long delivered wildfire-hardening work in high-risk communities. Skilled-and-trained thresholds do not reflect the structure of many trades, the uneven availability of apprenticeship programs across regions, or the staffing realities of small businesses. As a result, a large portion of the qualified contractor community would be excluded from participating—regardless of their experience,

safety record, or proven ability to perform this work effectively. Fewer eligible contractors means fewer homes can be hardened each year.”

- 7) *Double-referral*: Should this measure pass out of the Assembly Insurance Committee, it will move on to the Assembly Labor and Employment Committee for consideration.

REGISTERED SUPPORT / OPPOSITION:

Support

Insurance Commissioner Ricardo Lara / California Department of Insurance
Teamsters California

Support If Amended

Western Electrical Contractors Association

Opposition

Associated General Contractors, California Chapters

Analysis Prepared by: Kathleen O'Malley / INS. / (916) 319-2086