

Date of Hearing: April 22, 2026

ASSEMBLY COMMITTEE ON LABOR AND EMPLOYMENT

Liz Ortega, Chair

AB 1888 (Ortega) – As Amended April 14, 2026

SUBJECT: California Safe Homes grant program: contractors

SUMMARY: Requires the Department of Insurance (CDI) to develop standardized procedures and processes, on or before July 1, 2027, for the selection of contractors and award of grant funds to perform specified categories of wildfire mitigation work as it relates to the California Safe Homes (CSH) grant program; and imposes certain contractor requirements for the program, including the use of a skilled and trained workforce, payment of prevailing wage and maintenance of payroll records. Specifically, **this bill:**

- 1) Requires the CDI to develop standardized procedures and processes, on or before July 1, 2027, for the selection of contractors and award of grant funds to perform the following categories of wildfire mitigation work funded under the CSH grant program:
 - a) The alteration or removal of trees and vegetation in the immediate five feet around the exterior of an insured structure.
 - b) The construction of a Class-A Wildfire Rated roof for an insured structure.
 - c) The construction of noncombustible surfaces or fences within the immediate five feet around the exterior of an insured structure.
 - d) The installation of double-paned windows or fireproof exterior shutters for windows on the exterior of an insured structure.
- 2) Requires a contractor who enters into a contract to perform any work under the procedures and processes developed pursuant to (1) above or who accepts any CSH grant funds, to do all of the following:
 - a) Pay each construction worker employed in the execution of the work, at minimum, the prevailing wage, as specified.
 - b) Maintain and verify payroll records and make those records available for inspection and copying, as specified.
 - c) Biannually submit to the CDI digital copies of its certified payroll records for projects subject to this measure, as specified.
 - i) Requires the CDI to retain these records as public records for five years.
- 3) Prohibits a contractor from being prequalified for, shortlisted for, or awarded a contract pursuant to this measure unless the contractor provides an enforceable commitment to the CDI 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.

- 4) Provides that (3) above shall not apply if all work on the project is subject to a project labor agreement that requires the use of a skilled and trained workforce.
- 5) Requires, in addition to the above requirements, the contractor and each subcontractor to do all of the following:
 - a) Hold a valid, applicable license issued by the appropriate regulatory entity in this state for the specific task being funded by the program. That license shall be unrestricted and free from all ongoing disciplinary action.
 - b) Independently hold insurance that complies with the minimum coverages required under state law.
 - c) Comply with all applicable state and federal workers' compensation laws.
 - d) Hold all other licenses or permits necessary, as required by the laws of this state, to complete the work to be performed pursuant to this measure.
 - e) Avoid conflicts of interest in any work performed using grant funds awarded under the program.
 - f) Agree to follow all procedures and processes established by the CDI for purposes of the program.
 - g) Provide documentation of the completed work to the CDI.
- 6) Authorizes the Insurance Commissioner to adopt, amend, or repeal regulations to implement the provisions above.
- 7) Makes related findings and declarations.

EXISTING LAW:

- 1) Establishes the CDI under the direction of the Insurance Commissioner, to oversee the regulation of insurance companies, agents, and brokers in the state. Insurance Code § 12900 et seq.
- 2) Establishes the CSH grant program within the 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 § 2033.
- 3) Defines "public works," for the purposes of regulating public works contracts, as, among other things, construction, alteration, demolition, installation, or repair work done under contract and paid for, in whole or in part, out of public funds. Labor Code § 1720(a).
- 4) Requires that not less than the general prevailing rate of per diem wages be paid to all workers employed on a public works project costing over \$1,000 dollars and imposes misdemeanor penalties for violation of this requirement. Labor Code § 1771.

- 5) Requires each contractor and subcontractor on a public works project to keep accurate payroll records, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by the contractor or subcontractor in connection with the public work. Labor Code § 1776(a).
- 6) Authorizes a public entity to require a bidder, contractor, or other entity to use a skilled and trained workforce to complete a contract or project regardless of whether the public entity is required to do so by a statute or regulation. Public Contract Code § 2600(b).
- 7) Requires, when the use of a skilled and trained workforce to complete a contract or project is required, the public entity to include in all bid documents and construction contracts a notice that the project is subject to the skilled and trained workforce requirement. Public Contract Code § 2600(c).
- 8) Defines a “skilled and trained workforce” to mean a workforce that meets certain conditions, including specified apprenticeship graduation requirements. Public Contract Code § 2601.
- 9) Requires a contractor, bidder, or other entity to provide to the public entity or other awarding body, on a monthly basis while the project or contract is being performed, a report demonstrating compliance with skilled and trained workforce requirements. Public Contract Code § 2602.
- 10) Requires a contractor or subcontractor to pay a civil penalty to the state of not more than \$5,000 per month of work performed in violation of the skilled and trained workforce requirements if the Labor Commissioner or their designee determines that the contractor or subcontractor failed to use a skilled and trained workforce. A contractor or subcontractor that commits a second or subsequent violation within a three-year period shall forfeit as a civil penalty to the state the sum of not more than \$10,000 per month of work performed in violation. Public Contract Code § 2603.
- 11) Provides that the ratio of work performed by apprentices to journeymen employed in a particular craft or trade on the public work may be no higher than the ratio stipulated in the apprenticeship standards under which the apprenticeship program operates if the contractor agrees to be bound by those standards, but provides that, unless otherwise specified, in no case shall the ratio be less than one hour of apprentice work for every five hours of journeyman work. Labor Code § 1777.5(g).
- 12) Defines “project labor agreement” to mean a prehire collective bargaining agreement that establishes terms and conditions of employment for a specific construction project or projects, and authorizes a public entity to use, enter into, or require contractors to enter into a project labor agreement for a construction project if specified conditions are met. Public Contract Code § 2500(b)(1).

FISCAL EFFECT: Unknown

COMMENTS: A “skilled and trained workforce” is one in which 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

journey person 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.

Skilled and trained workforces are required in California for various projects, particularly for public works, design-build, and certain private projects. The purpose behind mandating this workforce is to ensure high-quality work, safety, and regulatory compliance. Highly trained workers also complete projects more quickly and efficiently, thereby reducing project timelines and overall cost.

According to the author, “AB 1888 is a follow up to AB 888 (Calderon, 2025) which established the California Safe Homes Grant program. As home insurance premiums continue to rise due to the increased cost of climate-caused natural disasters, the [grant program] 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.”

Arguments in Support

The Insurance Commissioner, sponsor of this bill, writes: “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.”

Arguments in Opposition

The Associated General Contractors of California write in opposition that “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.”

Prior Legislation

AB 888 (Calderon), Chapter 536, 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.

SB 369 (Padilla) of 2025 would have extended the requirement to use a skilled and trained workforce to Salton Sea restoration projects undertaken by specified state agencies. Vetoed by Governor Newsom.

SB 1298 (Cortese) of 2024 would have authorized the California Energy Commission, until January 1, 2030, to exempt from its certification a thermal powerplant with a generating capacity of up to 150 megawatts, if specified requirements are met, including that a skilled and trained workforce is used to perform all construction work on the facility, as specified. This bill died in the Assembly Rules Committee.

SB 144 (Committee on Budget and Fiscal Review) Chapter 367, Statutes of 2023 required eligible centralized procurement entity projects to, among other things, use a skilled and trained workforce.

SB 288 (Wiener), Chapter 200, Statutes of 2020 required the use of a skilled and trained workforce for certain transit-related projects conducted by public agencies.

SB 524 (Stern) of 2019 would have required that a skilled and trained workforce perform the work for energy efficiency projects of \$50,000 or more in ratepayer-funded incentives within the same building, facility or complex. This bill died on the Assembly inactive file.

AB 356 (Santiago), Chapter 173, Statutes of 2019, among other things, extended the skilled and trained workforce requirement to Los Angeles Community College District construction projects over \$1 million.

AB 695 (Medina), Chapter 492, Statutes of 2019, among other things, extended the skilled and trained workforce requirement to design-build contracts for community college facilities.

AB 1413 (Gloria), Chapter 758, Statutes of 2019, among other things, extended the skilled and trained workforce requirement to specified construction contracts over \$1 million with the San Diego County Regional Transportation Commission, the San Diego Association of Governments, the San Diego Metropolitan Transit System, and the North County Transit District.

REGISTERED SUPPORT / OPPOSITION:

Support

Insurance Commissioner Ricardo Lara / California Department of Insurance (Sponsor)

Support If Amended

Western Electrical Contractors Association

Analysis Prepared by: Erin Hickey / L. & E. /