

Date of Hearing: April 22, 2026

ASSEMBLY COMMITTEE ON LABOR AND EMPLOYMENT

Liz Ortega, Chair

AB 2634 (Zbur) – As Amended April 14, 2026

SUBJECT: Workforce development: High road training partnerships: scoring preference

SUMMARY: Requires the California Workforce Development Board (CWDB) to, when awarding grants for the high road training partnership (HRTP) program or any successor program, provide a scoring preference to an applicant that meets either of the following criteria: 1) The applicant is a bona fide labor-management cooperation committee (LMCC). 2) The applicant is an entity applying on behalf of a bona fide LMCC and submits written authorization from that committee as part of its application. Specifically, **this bill:**

- 1) Defines “bona fide LMCC” to mean an entity established pursuant to the federal Labor-Management Cooperation Act of 1978 (29 U.S.C. Sec. 175a) that is jointly established and administered by one or more employers and one or more labor organizations for the purpose of improving labor-management relations, workforce training, job security, organizational effectiveness, enhancing economic development, and involving workers in decisions affecting their jobs.
- 2) Requires the CWDB to, when awarding grants for the HRTP program or any successor program, provide a scoring preference to an applicant that meets either of the following criteria:
 - a) The applicant is a bona fide labor-management cooperation committee.
 - b) The applicant is an entity applying on behalf of a bona fide labor-management cooperation committee and submits written authorization from that committee as part of its application.
- 3) Requires the CWDB to determine the amount of the scoring preference described in 2) above and to incorporate that preference into program guidelines and grant solicitations.
- 4) States that this section does not require the CWDB to award a grant to an applicant solely on the basis of the preference described in 2) above.

EXISTING LAW:

- 1) Establishes the Workforce Innovation and Opportunity Act (WIOA) of 2014 in order to help job seekers access employment, education, training, and support services to succeed in the labor market and to match employers with skilled workers. WIOA coordinates employment and training services for adults, dislocated workers, and youth through grants to states that are implemented at the state and local level. 29 U.S.C. § 3101 et seq.
- 2) Establishes the CWDB as the body responsible for assisting the Governor in the development, oversight, and continuous improvement of California’s workforce investment system and the alignment of the education and workforce investment systems to the needs of the 21st century economy and workforce. Unemp. Ins. Code, § 14010 et seq.

- 3) Defines “high road training partnership” to mean an initiative or project that models strategies for developing industry-based, worker-focused training partnerships, including labor-management partnerships. High Road Training partnerships operate via regional, industry- or sector-based training partnerships comprised of employers, workers, and their representatives including organized labor, community-based organizations, education, training, and social services providers, and labor market intermediaries. High Road Training partnerships demonstrate job quality standards and employment practices that include, but are not limited to, the following:
- a) Provision of comparatively good wages and benefits, relative to the industry, occupation, and labor market in which participating workers are employed.
 - b) Payment of workers at or above local or regional living wage standards as well as payment at or above regional prevailing wage standards where such standards exist for the occupations in question.
 - c) A history of investment in employee training, growth, and development.
 - d) Provision of opportunities for career advancement and wage growth.
 - e) Safe and healthy working conditions.
 - f) Consistent compliance with workplace laws and regulations, including proactive efforts to remedy past problems.
 - g) Adoption of mechanisms to include worker voice and agency in the workplace. Unemp. Ins. Code §14005(s).

FISCAL EFFECT: Unknown.

COMMENTS: Under both the Governor Brown and Newsom Administration, California has prioritized the “high road” model for workforce development. What distinguishes this workforce development model from others is a strong focus on collaboration between labor and industry. As described by the CWDB, HRTPs work with the California Jobs First Initiative¹ “to forge and nurture industry partnerships around regional job sectors to improve equity, climate resilience, and job quality. This proven model increases access to good jobs, creates pathways for job growth, meets workforce needs, and builds worker voice.” HRTPs are viewed “as intentional efforts by leaders within a particular industry—including employers and workers—to come together to solve immediate problems and overcome longer term challenges in their industry.”² Another crucial element of an HRTP is the prioritization of determining the *needs of an industry* before developing the applicable training. HRTPs are not formed to build workforce

¹The California Jobs First Initiative is a 600 million program aimed at creating quality jobs and fostering sustainable economic growth across California's 13 regions. See <https://jobsfirst.ca.gov/>.

² “Taking the High Road: High Road Training Partnerships: A Path to Reimagine and Rebuild Our Economy,” UC Berkeley Labor Center, May 2020, p. 1.

programs, rather they are a “dynamic way to meet what the industry itself determines is needed... Successful HRTPs start with the jobs.”³

Among a number of successful HRTPs is the Building Skills Partnership representing a joint effort between SEIU-USWW and janitorial companies that focuses on workforce development for immigrant workers. In 2014, the partnership launched a Green Janitor Training Program in which “janitors gain a sense of responsibility for how sustainability practices help mitigate climate change, while employers gain a trained workforce that helps meet local and state climate standards.”⁴ The program has seen reduced energy and water consumption by its participating properties and has trained over 1,800 janitorial workers.

According to the author, “Quality “High Road” jobs deliver family-sustaining wages, comprehensive benefits (health insurance, pensions), and safe working conditions. “High Road” jobs are the backbone of a strong middle class — creating pathways out of poverty, raising wages, and improving lives for working people. When labor and management co-invest in workforce development, the result is stronger industries, a more resilient workforce, and a more competitive California economy.

At a time of rapid economic transformation driven by automation, climate transition, and shifting labor markets, California’s ability to remain competitive depends on how effectively it aligns workforce development with real industry needs.

AB 2634 aligns High Road funding requirements with California’s vision for a true “High Road” workforce by strengthening the High Road Training Partnerships (HRTPs) funding requirements to ensure workforce investments lead to good-paying, high-quality jobs.”

The author also believes the bill will maximize benefits for underserved communities because “AB 2364 addresses upstream inequities in the labor market by shifting workforce funding toward programs where workers have a formal role in shaping training and job standards through labor-management cooperation committees (LMCCs), consistent with the goals of HR 39. By prioritizing these worker-employer partnerships, the bill targets structural barriers such as limited access to quality training, low job mobility, and weak worker voice that disproportionately affect immigrant, Latino, and BIPOC (Black, Indigenous and People of Color) workers concentrated in sectors like property services, construction, logistics, healthcare, hospitality, and manufacturing. This “high-road” approach improves job quality and creates clearer pathways to advancement within these industries, expanding equitable access to stable, higher-wage careers.”

Arguments in Support

Building Skills Partnership is in support and states, “By protecting proven labor-management partnerships, this measure leverages the power of Collective Bargaining Agreements (CBAs) to tie training investments directly to real wage increases, job ladders, and safety standards. When unions and employers jointly design curriculum, they create a resilient system where worker skills reflect actual industry demand rather than theoretical pipelines; furthermore, as these partnerships raise standards in union settings, they create a “competitive-up” effect that pressures

³ *Ibid.* at 2.

⁴ *Ibid.* at 5.

non-union employers to improve conditions, effectively lifting the floor for entire sectors across California.

Today, we are at a critical inflection point. Recent shifts toward "business-first" models with limited connection to job quality weaken one of California's most effective workforce tools. As workforce investments recalibrate toward high-wage sectors, we risk abandoning workers in industries essential to our economy—including janitorial, hospitality, airport services, security, and food service. Without intentional public investment, incumbent workers in these sectors cannot access upskilling because traditional funding formulas (like ETP) skew toward higher-wage occupations."

The Miguel Contreras Foundation is in support and states that to ensure California's workforce investments prioritize proven, high-road models, "AB 2634 mandates that the California Workforce Development Board (CWDB) provide a formal scoring preference during the grant award process for the High Road Training Partnership (H RTP) Program, or any successor program, to applicants that are either *bona fide labor-management cooperation committees* or entities applying on their behalf with explicit written authorization.

With more than 6 million adults—nearly one-third of California's workforce—currently working in low wage jobs, AB 2634 provides a vital opportunity to restore the integrity of the original High Road Training Partnership (H RTP) model and ensure that incumbent workers are not left behind in our state's workforce strategy."

Arguments in Opposition

None.

Prior Legislation

SB 822 (Durazo) of 2023 would have required the Department of Industrial Relations and the CWDB, within the Labor and Workforce Development Agency, to collectively be responsible for among other duties, creating high road evaluation metrics, consulting with stakeholders, and providing for meaningful public input on the development and evaluation of high road evaluation metrics. The bill would require the board to also assist in developing standards, procedures, and criteria for high road contracting and high road procurement, as specified. This bill was vetoed by Governor Newsom.

SB 779 (Becker) Chapter 223, Statutes of 2021, amended the list of "earn and learn" programs by specifying that an "earn and learn" program includes transitional jobs, as described in the federal Workforce Innovation and Opportunity Act, and subsidized employment with an employer of record, which may include, but not be limited to, an employment social enterprise, as defined, or a worker cooperative, as defined, particularly for individuals with barriers to employment.

SB 700 (Durazo) of 2021 would have established the High Road Employment Program to assist state agencies in complying with specified High Road Employment Plan requirements and with appropriate planning, inclusive decision making, and fair disbursement of community and worker support resources. It also would have required each bidder for a contract with the state, as a condition of eligibility for such a contract, to submit a High Road Employment Plan to the Department of General Services that includes certification, under penalty of perjury, that all

workers are properly classified, as specified, and that includes certain job information. This bill died in the Assembly Appropriations Committee.

REGISTERED SUPPORT / OPPOSITION:

Support

California Immigrant Policy Center
California State Council of Service Employees International Union
Center for Caregiver Advancement
Hospitality Training Academy
Miguel Contreras Foundation
Service Employees International Union United Health Workers & Joint Employer Education Fund

Opposition

None on File

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