

Date of Hearing: May 6, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

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

Policy Committee: Labor and Employment

Vote: 7 - 0

Urgency: No

State Mandated Local Program: No

Reimbursable: No

SUMMARY:

This bill requires the California Workforce Development Board (CWDB) to provide a scoring preference to a bona fide labor-management cooperation committee (LMCC) when awarding grants for a high road training partnership (H RTP) program.

Specifically, this bill:

- 1) Defines an LMCC to mean an entity established pursuant to the federal Labor Management Cooperation Act of 1978 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 CWDB to determine the amount of scoring preference CWDB must provide an H RTP or successor program applicant that is either an LMCC or an entity applying on behalf of an LMCC and incorporate the preference into program guidelines and grant solicitations.

FISCAL EFFECT:

- 1) Ongoing cost pressures of an unknown amount, likely in the tens of millions of dollars annually, to appropriate funds to CWDB to continue providing H RTP grants with a scoring preference for LMCCs (General Fund (GF)). The most recent allocation of funding for H RTP grants appropriated in the Budget Act of 2024 has been fully awarded by CWDB.
- 2) Costs of approximately \$78,000 in fiscal year (FY) 2026-27, \$156,000 in FY 2027-28, and \$78,000 in FY 2028-29 to CWDB for staff workload to revise H RTP program guidelines, contracts, and solicitations if CWDB receives a new appropriation for additional H RTP grants. CWDB notes that implementation of this bill will ultimately depend upon the timing of when such funds are appropriated.

The Legislative Analyst's Office recently warned of GF structural deficits of around \$35 billion per year in the 2027-28 fiscal year and ongoing.

COMMENTS:

- 1) **Purpose.** According to the author:

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 [HRTP] funding requirements to ensure workforce investments lead to good-paying, high-quality jobs.

This bill is supported by LMCCs, labor organizations, and community groups.

- 2) **HRTP Program.** Governor Newsom's California Jobs First initiative provides investments in key sectors to drive sustainable economic growth, innovation, and access to good-paying jobs. As part of that initiative, CWDB's HRTP grant program funds projects that forge and nurture industry partnerships around regional job sectors to improve equity, climate resilience, and job quality. In 2025, CWDB awarded approximately \$18.6 million in grants to seven applicants. This bill requires CWDB to provide a scoring preference to LMCCs when awarding HRTP grants.

Analysis Prepared by: Irene Ho / APPR. / (916) 319-2081