

ASSEMBLY THIRD READING

AB 2634 (Zbur)

As Amended April 14, 2026

Majority vote

SUMMARY

Requires the California Workforce Development Board (CWDB) to, when awarding grants for the high road training partnership (H RTP) 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.

Major Provisions

- 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 H RTP 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 LMCC.
 - b) The applicant is an entity applying on behalf of a LMCC 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.

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, H RTPs 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." H RTPs are viewed "as intentional efforts by leaders

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/>.

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 H RTP is the prioritization of determining the *needs of an industry* before developing the applicable training. H RTPs are not formed to build workforce programs, rather they are a "dynamic way to meet what the industry itself determines is needed... Successful H RTPs start with the jobs."³

According to the Author

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 (H RTPs) funding requirements to ensure workforce investments lead to good-paying, high-quality jobs."

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 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."

Arguments in Opposition

None on file.

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.

³ *Ibid.* at 2.

FISCAL COMMENTS

According to the Assembly Appropriations Committee,

- 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.

VOTES**ASM LABOR AND EMPLOYMENT: 7-0-0**

YES: Ortega, Alanis, Chen, Elhawary, Kalra, Lee, Ward

ASM APPROPRIATIONS: 13-1-1

YES: Wicks, Hoover, Aguiar-Curry, Calderon, Caloza, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache, Ta

NO: Tangipa

ABS, ABST OR NV: Dixon

UPDATED

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CONSULTANT: Megan Lane / L. & E. / (916) 319-2091

FN: 0002853