
THIRD READING

Bill No: AB 2634
Author: Zbur (D)
Amended: 8/13/26 in Senate
Vote: 21

SENATE LABOR, PUB. EMP. & RET. COMMITTEE: 4-1, 7/1/26
AYES: Smallwood-Cuevas, Cortese, Durazo, Laird
NOES: Strickland

SENATE APPROPRIATIONS COMMITTEE: 5-2, 8/13/26
AYES: Cervantes, Cabaldon, Grayson, Richardson, Wahab
NOES: Seyarto, Dahle

ASSEMBLY FLOOR: 67-8, 5/26/26 - See last page for vote

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

SOURCE: Author

DIGEST: This bill requires the California Workforce Development Board (CWDB) to provide a scoring preference to an applicant that is a bona fide labor-management cooperation committee, as defined, when awarding grants for a high road training partnership (H RTP) program or any successor program, as specified.

ANALYSIS:

Existing federal law:

- 1) Permits, pursuant to the Labor Management Cooperation Act of 1978, the establishment of plant, area, and industrywide labor management committees (JLMCs), which have been organized jointly by employers and labor organizations representing employees in that plant, area, or industry, as specified. (Title 29 United States Code (U.S.C.) §175a)

- 2) Establishes labor management committees for the purpose of improving labor management relationships, job security, organizational effectiveness, enhancing economic development, or involving workers in decisions affecting their jobs including improving communication with respect to subjects of mutual interest and concern. (29 U.S.C. §175a)
- 3) Establishes the Workforce Innovation and Opportunity Act (WIOA) to help job seekers access employment, education, training, and support services to succeed in the labor market and to match employers with the skilled workers they need to compete in the global economy. (29 U.S.C. §3101-3361)

Existing state law:

- 1) Creates the California Workforce Innovation and Opportunity Act to make programs and services available to individuals with employment barriers. (Unemployment Insurance Code §14000 et seq.)
- 2) Establishes the California Workforce Development Board (CWDB), under the purview of the Labor and Workforce Development Agency (LWDA), as the body responsible for assisting the Governor in the development, oversight, and continuous improvement of California's workforce system, including its alignment to the needs of the economy and the workforce. (Unemployment Insurance Code §14010 et seq.)
- 3) Requires CWDB to assist the Governor with developing and continuously improving the statewide workforce investment system, including the following:
 - a) Developing standards, procedures, and criteria for defining high road employers, high road jobs, high road workforce development, and high road training partnerships in California, in accordance with lessons learned from the board's ongoing high road workforce development initiatives, as specified.
 - b) The administration, promotion, and expansions of, as well as field assistance for, high road training partnerships, as defined. (Unemployment Insurance Code §14013)
- 4) Requires CWDB to collect and report program and outcome data for its high road workforce programs, as specified. (Unemployment Insurance Code §14014)
- 5) Defines "high road training partnership" as 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. (Unemployment Insurance Code §14005(s))
- 6) Requires the establishment of a local workforce development board (LWDB) in each local workforce development area of the state to, among other things, plan and oversee the workforce investment system. (Unemployment Insurance Code §§14200-14211)

This bill:

- 1) Requires the CWDB to, when awarding grants for a high road training partnership (H RTP) program or any successor program, provide a scoring preference to an applicant that meet 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, or in partnership with, a bona fide labor-management cooperation committee and submits written authorization from that committee as part of its application.

- 2) Requires CWDB to determine the amount of the scoring preference, as specified, and incorporate that preference into program guidelines and grant solicitations.
- 3) Specifies that this does not require CWDB to award a grant to an applicant solely on the basis of the specified preference.
- 4) Defines “bona fide labor-management cooperation committee” as an entity established pursuant to the federal Labor Management Cooperation Act of 1978 (29 U.S.C. Sec. 175a), a collective bargaining agreement, or memorandum of understanding 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.

Background

Workforce development. The CWDB is the state entity tasked with assisting the Governor in the development, oversight, and continuous improvement of California’s workforce investment system. Among other things, the CWDB is tasked with developing, implementing, and modifying California’s Unified Strategic State Plan (State Plan) to serve as the comprehensive framework and coordinated plan for the aligned investment of all federal and state workforce training and employment services funding streams and programs. CWDB works closely with local workforce development boards (LWDBs) to ensure statewide workforce efforts align with regional priorities and community needs.

The State has 45 LWDBs, each with their unique local context. Members of private sector business, organized labor, community-based organizations, local government agencies, and local education agencies comprise a LWDB’s membership. EDD in partnership with LWDBs oversee America’s Job Center of California (AJCC). AJCC is a one-stop shop for no-cost job and training services that helps connect employers with job openings to people who are looking for work. The AJCC is a network of local and state organizations, as well as private and public groups, working together to provide these services at no cost. Adults and displaced workers receive an initial assessment, job search and placement assistance, and career counseling at LWDBs.

High Road Training Partnerships. According to CWDB, a “High Road Training Partnership” (H RTP) refers to an initiative or project that models strategies for

developing industry-based, worker-focused training partnerships, including labor-management partnerships. H RTP projects operate via regional, industry, or sector-based training partnerships that include employers, workers, and their representatives including organized labor, community based organizations, education, training, and social services providers, and labor market intermediaries. H RTPs demonstrate job quality standards and employment practices that include, but are not limited to, the following:¹

- Provision of comparatively good wages and benefits relative to the industry, occupation, and labor market in which participating workers are employed.
- 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 target occupations in question.
- A history of investment in employee training, growth, and development.
- Provision of opportunities for career advancement and wage growth.
- Safe and healthy working conditions.
- Consistent compliance with workplace laws and regulations, including proactive efforts to remedy past problems.
- Adoption of mechanisms to include worker voice and agency in the workplace.

In 2017, CWDB launched the High Road Training Partnership (H RTP) initiative, an eighteen-month program designed to establish a workforce development framework in which partnerships of industry leaders—employers, workers, and union and worker organizations representatives—work together to achieve a dual goal: creating opportunities for economic prosperity for high road employers and achieving equity for their workers.² Through a \$10 million investment from the CWDB, an H RTP was developed in each of eight sectors: healthcare, hospitality, transit, freight, water and wastewater, building operations, public sector, and transportation, distribution and logistics. The grant that each convening organization received was used to form, refine, and expand the partnerships.

¹ “High Road Training Partnerships Grant Solicitation.” CWDB, April 12, 2025, https://cwdb.ca.gov/wp-content/uploads/sites/43/2025/04/H RTP_2025_RFA_4.18.25_FINAL_ACCESSIBLE.pdf.

² Ana Luz Gonzalez-Vasquez and Magaly N. Lopez. “The High Road to Economic Prosperity,” UCLA Labor Center, May 2021, https://labor.ucla.edu/wp-content/uploads/2021/05/Eval_FINAL-REPORT-2.pdf.

H RTP grant program. There have been several H RTP grants awarded to applicants to increase access to existing high road jobs and create pathways for workers seeking job growth with high road employers in various industries over the last few years.³ The H RTPs 2025 Grant program continues LWDA’s commitment to increase access to existing high road jobs for underserved populations and create pathways for workers seeking job growth with high road employers.⁴ In late 2025, CWDB announced seven awardees were granted more than \$18 million in funding under the H RTP 2025 grant program.⁵ Additionally, 10 awardees were granted more than \$24 million in funding under the H RTP 2024-25 Healthcare Grant Program.⁶ In Mid-2026, CWDB announced \$8 million was awarded to 14 awardees in under the High Road Construction Careers (HRCC) 2026 Grant Program.⁷

Labor management committees. Labor management committees are joint worker-management partnerships, established pursuant to the federal Labor Management Cooperation Act of 1978. Labor management committees aim to improve communication and working relationships between labor and management, provide workers and employers with opportunities to explore joint approaches to problems, and develop ways to increase productivity and promote economic development. They are organized jointly by employers and labor organizations within a particular plant, area, or industry.

Related/Prior Legislation

AB 338 (Solache, Chapter 532, Statutes of 2025) required CWDB to allocate appropriated funds to the Los Angeles County Department of Economic Opportunity for workforce strategies, such as H RTPs, among other things, to ensure a skilled and sufficient workforce for the scale of rebuilding and recovery of areas in the counties of Los Angeles and Ventura impacted by the 2025 wildfires, as specified.

SB 822 (Durazo, 2023) would have required the Department of Industrial Relations and the CWDB, within LWDA, to collectively be responsible for among

³ For a detailed list of all the H RTP grants, please visit CWDB’s grant details page: <https://cwdb.ca.gov/cwdb-home/grant-information/grant-details/>

⁴ “H RTP 2025 Grant Program.” CWDB, <https://cwdb.ca.gov/cwdb-home/grant-information/hrtp-2025-grant-program/>

⁵ “High Road Training Partnership H RTP 2025 Award Announcement.” CWDB, Nov. 26, 2025, https://cwdb.ca.gov/wp-content/uploads/sites/43/2025/12/H RTP_2025-Award-Announcement.pdf

⁶ “High Road Training Partnerships 2024-25 Healthcare Grant Program Award Announcement,” CWDB, https://cwdb.ca.gov/wp-content/uploads/sites/43/2025/02/H RTP-HC-Award-Announcement_FINAL.pdf, <https://cwdb.ca.gov/cwdb-home/grant-information/hrtp-hc-grant-program/>

⁷ “High Road Construction Careers 2026 Round One: Award Announcement” CWDB, May 12, 2026, <https://cwdb.ca.gov/wp-content/uploads/sites/43/2026/05/HRCC-2026- Award-Announcement.pdf>

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 CWDB to also assist in developing standards, procedures, and criteria for high road contracting and high road procurement, as specified. The 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 WIOA, 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, 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. The bill died in the Assembly Appropriations Committee.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

According to the Senate Appropriations Committee:

- This bill would result in ongoing cost pressures, likely in the tens of millions of dollars annually (General Fund), to appropriate additional funding to CWDB to continue awarding H RTP grants with a scoring preference for LMCCs. The funding appropriated for H RTP grants in the 2024 Budget Act has been fully awarded, and no additional funding is currently available.
- CWDB would incur implementation costs of \$78,000 in 2026-27, \$156,000 in 2027-28, and \$78,000 in 2028-29 (General Fund) to revise H RTP program guidelines, solicitations, and grant agreements if additional funding for H RTP grants is appropriated. CWDB indicates these costs would only be incurred if and when a future appropriation for H RTP grants is provided, and the timing of implementation would depend on when that funding becomes available.

SUPPORT: (Verified 8/13/26)

Building Skills Partnership
California Community Foundation
California Federation of Labor Unions
California Immigrant Policy Center
California State Council of Service Employees International Union
Center for Caregiver Advancement
Hospitality Training Academy
Miguel Contreras Foundation
SEIU California
SEIU UHW & Joint Employer Education Fund
Working Partnerships USA

OPPOSITION: (Verified 8/13/26)

None received

ARGUMENTS IN SUPPORT: According to Building Skills Partnership, “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.

AB 2634 responds to this challenge by advancing a High Road framework that shifts the focus from individual deficits to system-level solutions—expanding access to good jobs, improving job quality, and investing in employers who treat workers as assets.”

ASSEMBLY FLOOR: 67-8, 5/26/26

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Chen, Connolly, Davies, Elhawary, Flora, Fong, Gabriel, Garcia, Gipson, Jeff Gonzalez, Mark González, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lee, Lowenthal, McKinnor, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Michelle Rodriguez, Rogers, Blanca Rubio, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

NOES: DeMaio, Ellis, Gallagher, Hadwick, Johnson, Macedo, Sanchez, Tangipa

NO VOTE RECORDED: Castillo, Dixon, Lackey, Muratsuchi, Celeste Rodriguez

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**** END ****